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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT

Programme 21. Public administration and finance

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revised programme 21, Public administration and finance, submitted below replaces the narrative of programme 21 of the medium-term plan for the period 1992-1997, adopted by the General Assembly in its resolution 47/214 and issued in document A/47/6/Rev.1 and Corr.1. The proposed revisions reflect the outcome of the restructuring in the economic and social sectors approved by the General Assembly in its resolution 47/212 B of 6 May 1993.

4. The revised narrative is presented in its entirety in order to facilitate its consideration.

PROGRAMME 21. PUBLIC ADMINISTRATION AND FINANCE

A. Programme

1. General orientation

21.1 The general mandate for the programme derives from General Assembly resolution S-13/2, paragraph 5, and Economic and Social Council resolution 1985/10, paragraphs 3 and 4, and decisions 1988/115, paragraph (a), and 1989/114, paragraphs 3 and 4. More recently, the General Assembly confirmed that mandate in its resolution 47/212 B of 6 May 1993.

21.2 In recent years a number of economic factors relating to declining economic growth, rising external debts, an unfavourable international economic environment and increased government deficits have led to a shrinking of resources available for public expenditure. Administrative systems have frequently been criticized as unproductive consumers of scarce public resources. Singled out in particular were deficit-producing public enterprises. Administrative processes have also been found, for the most part, to be inefficient, wasteful and detrimental to national development in many cases. In fact, institutional improvement for sustainable development has frequently been hindered by such systemic issues as low salaries, overstaffing and disincentives in the basic policy structure of the public sector. Weak institutional capacities of Governments to formulate and implement appropriate macroeconomic policies are also cited as root causes for economic mismanagement in many developing countries. The urgent need to examine the critical issues in development administration and to adopt approaches and programmes for improved management of the public sector is increasingly emphasized by national Governments as well as international development agencies.

21.3 Under these circumstances, there have been demands for major changes and improvements concerning public administration and finance systems. Such changes have included retrenchment and rationalization of public administration (both structure and staff), reduction of resources allocated to public organizations, systemic training and development of human resources, improvement of efficiency, economy and productivity in development administration and improved evaluation and accountability for public sector activities. The dominant themes underlying those demands deal with improving the institutional and management capacities of national institutions, examining the role of the public sector and adjusting it to a size at which it can function effectively, and applying, to the extent possible, more effective methods of management in the operation and control of activities in the public domain.

21.4 In the particular context of newly independent States, several common issues persist, such as government accountability processes, accurate needs assessment, resource mobilization and management, poverty alleviation, employment, productivity of the civil service and absorptive capacity. In addition, there is a recognition of the importance of the role of the private sector, giving rise to the need for the creation of an enabling environment conducive to investment, economic management and stable systems of government. In many instances the issue to be stressed is to create those administrative capacities, while in other the issue is one of "re-inventing" government

according to successful corporate principles in order to lead to economic recovery and sustainable human development.

21.5 In the light of previous approaches to capacity-building in the public sector undertaken by international agencies, the need still exists to develop the intellectual infrastructure, both human and institutional, to move from crisis management towards the enabling environment leading to pragmatic linkages between the public sector and the non-governmental private sector. At present such linkages are, for the most part, cumbersome, or at best ambiguous.

21.6 The eleventh meeting of experts on the United Nations programme in public administration and finance, held in October 1993, noted the critical role that the programme should play in facilitating strategic improvements in public management systems in developing countries and countries in transition to a market economy in the 1990s and beyond, and that programme activities were in accordance with priorities assigned by Governments. It concluded that in response to challenges, new approaches of "governance" instead of traditional public administration structures must be recognized and organized, as this will be vital for national development. Governance will be increasingly the notion that public administration can manage itself more effectively with better linkages for interaction with the legislature, judicial body and private sector. The meeting recommended, therefore, that the remainder of the plan period could address in particular a revitalized approach towards governance, including strengthening legislative administration, restoration of civil administration, electoral processes, improvement and democratization of public administration processes and linkages with the private sector. In addition, innovations in financial management and revenue mobilization are continuously needed. Likewise, the changing relationship between government and the private sector, including the necessary deregulation of government affairs, must be underlined. Systemic and increased use of modern technologies in public management must also be continuously addressed. The meeting also recommended that the remainder of the medium-term plan should continue to reflect those orientations.

21.7 Through a comprehensive and programmatic approach, the programme provides technical support and advisory services at the country level. As such, the programme deals with structure and systems of governance. Through administrative structure it seeks to strengthen capacity-building in the public sector towards improved government accountability and transparency. Through appropriate management systems, it seeks to strengthen programming and national execution capabilities for resource-efficient development management. By responding to the changing needs of developing countries in strengthening administrative, financial and information systems for better development management, transparent and effective linkages at the country level between the public sector and the private sector can be strengthened.

21.8 Along with budgetary reform and improved resource mobilization, many Governments have also come to realize the need to apply the higher standards and improved techniques of management in the provision of public services. Those actions are related to the concerns of Governments to raise productivity in the public sector and to improve the efficiency and accountability of operations. The concern for accountability includes such issues as well-developed accounting and auditing systems to ensure effectiveness of expenditures for achieving

policy objectives, information systems, cost-effectiveness and development management accountability.

2. Overall strategy

21.9 To achieve the programme's objectives, an operational framework will be devised that will utilize the elements of the programme approach. Focusing on structure and management systems in the public sector, the programme will concern itself with four essential components of public sector management: governance and administrative structure; public finance and resource mobilization; management of development programmes under national execution; and the partnership between the public and private sector. Specifically, the Secretariat will carry out operationally oriented analytical technical cooperation activities, including seminars, workshops and training programmes. Pilot studies and advisory services are an integral aspect of the approach.

21.10 The programme will also promote the development on the part of the donor community and the United Nations system of a common and coordinated approach and strategy to public sector assistance in order to bring about a stronger convergence of public sector management requirements at the country level and international development assistance, the objective being the creation of the necessary public sector conditions for effective absorption of international assistance. In line with that strategy, activities will include preparation of country profiles analysing and evaluating public sector conditions and requirements, providing both the donor community and Governments with an indicative analysis of where and how international assistance to the public sector can be most effective.

21.11 The programme will be active in initiating cooperation mechanisms with relevant development financing institutions and banks, in addition to its ongoing collaboration with UNDP sourcing for extrabudgetary funds. Collaboration will be maintained and strengthened with the regional commissions and the non-governmental sectors for joint sponsorship and execution of projects and programmes. Within the United Nations system, coordination will be maintained with ILO, particularly its Turin centre, UNIDO, UNCTAD and the Bretton Woods institutions as well as with major bilateral donors. In addition, coordination matters are discussed in meetings of the inter-agency consultations and working group held prior to the meetings of experts on the United Nations programme in public administration and finance.

3. Subprogramme structure and priorities

21.12 In the light of the above general orientation the subprogrammes are as follows:

Subprogramme 1. Monitoring trends and developments in governance and public sector management

Subprogramme 2. Effective structural and organizational reforms and methods of governance

Subprogramme 3. Training and development of human resources for public management

Subprogramme 4. Taxation systems and financial resource mobilization

Subprogramme 5. Public sector financial management

Subprogramme 6. Promotion of an enabling environment for the private sector, including entrepreneurship

Subprogramme 7. Building of national capacity for programme and project management

21.13 Subprogrammes 1 and 3 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. MONITORING TRENDS AND DEVELOPMENTS IN GOVERNANCE AND PUBLIC SECTOR MANAGEMENT

(a) Objectives

21.14 The legislative authority for the subprogramme derives from General Assembly resolutions 41/182 and 47/212, paragraph 2; and Economic and Social Council resolutions 1985/10, paragraph 6 (a); 1987/92, paragraph 2; and 1988/7, paragraphs 2 and 4; and decision 1988/115, paragraph (b).

21.15 Articulation of national priorities, determination of the appropriate role of the public sector, formulation of appropriate development policies and programmes and their effective implementation are a challenging job for any Government. Recent political and socio-economic changes in developing and transitional economy countries have placed heavy demands on governance and public management systems requiring reassessment of policies, strategies and institutional arrangements for sustained development. This has shown the urgent need in many countries to design administrative systems and processes for improved policy-making and management, including participatory decision-making at the local level, and to provide technical and administrative support to the building of democratic institutions. In a few countries another emerging need is for restoring and building civil administration in support of peace-keeping and reconstruction and development. In the international context, it is now increasingly realized that macroeconomic policy and performance in industrialized countries affect developing countries in critical ways. For many of the latter, prospects for their development cannot be separated from that of the world economy. There is an urgent need for periodic articulation of the role and priorities for public management systems and for strengthening the capacity of countries for improved policy analysis, effective implementation of development policies and programmes, and timely adjustment of national policies in the context of the global changes and trends.

21.16 The objectives of subprogramme 1 are:

(a) To enhance the capacity of developing and transitional economy countries in articulating the role and priority of public sector management and in strengthening their capabilities for improved governance and development;

(b) To facilitate dissemination of information among Member States on the best workable approaches, systems and practices in public management;

(c) To assist countries in developing approaches and operational frameworks in strengthening elements of effective governance.

(b) Course of action of the Secretariat

21.17 In accordance with the objectives outlined above, the Secretariat will:

(a) Review periodically developments and trends in governance and public management, including the role of the public sector in promoting democratic governance and sustained human development;

(b) Organize exchange of information on efficient systems, methods and practices in public management and prepare country profiles and policy guidelines for key issues of public management;

(c) Undertake development of operational frameworks and guidelines for promoting effective governance and public management.

SUBPROGRAMME 2. EFFECTIVE STRUCTURAL AND ORGANIZATIONAL REFORMS AND METHODS OF GOVERNANCE

(a) Objectives

21.18 The legislative authority for the subprogramme derives from General Assembly resolution 47/212 and Economic and Social Council resolution 1985/10, paragraph 6 (b).

21.19 Administrative reform has proved to be a continuing need of many developing countries. The existence of inadequate (though sometimes overgrown and overstaffed) administrative structures and institutional arrangements points to the need for constant attention to their size as well as performance. Frequently, there is overlapping and duplication of functions among government organizations, which also display a lack of flexibility in structure and operations.

21.20 Effective major administrative reforms can aim at the improvement of accountability for good governance. The important hallmarks of good governance can be (a) willingness to develop individuals and communities to achieve their full potential; (b) the development of a sustainable economy; (c) the encouragement of public participation in government affairs; and (d) transparency in reviewing and reporting government achievement at both central and local levels of government. Good governance should also promote economic development at local, regional and international levels, and mutual

understanding between the political process and executive arm of the Government. Governance reforms should, therefore, address not only structural issues, such as decentralization and relationships between central and local government, but also procedural issues, including deregulation aspects and administrative methods and techniques. The development of municipal governance in particular has become important in view of the continued growth of urban centres.

21.21 Information management is crucial to efficient public administration. Problems have arisen in the use of information technologies and underutilization of information systems and office automation by managers in the public sector. The situation can be alleviated by establishing an appropriate national computer policy, focal points, and various mechanisms, including training, particularly training of top management who could encourage the use of information management and technologies.

21.22 The objectives of subprogramme 2 are:

(a) To promote harmonized decentralization and local self-governance, and to improve municipal governance, particularly that of major cities in developing countries and countries in transition to a market economy;

(b) To improve the administrative effectiveness and accountability of administrative and managerial systems in developing countries and countries in transition to a market economy;

(c) To improve management methods and techniques, particularly by promoting the systematic use of information technologies in public management.

(b) Course of action of the Secretariat

21.23 The Secretariat will carry out technical cooperation activities, including advisory services, training and field projects, and undertake analysis of the measures required to improve elements of methods of government deregulation and decentralization. This will include simplification of procedures for public sector management. Particular emphasis will be placed on the research and training for municipal and metropolitan governance. Awareness training on the use of information technologies in public management, as well as integrated information systems development for policy analysis, implementation and monitoring will also be emphasized.

SUBPROGRAMME 3. TRAINING AND DEVELOPMENT OF HUMAN RESOURCES FOR PUBLIC MANAGEMENT

(a) Objectives

21.24 The legislative authority for the subprogramme derives from General Assembly resolutions 39/219, 40/213 and 44/213; and Economic and Social Council resolutions 1986/73, 1987/81 and 1989/120, and decision 1989/114, paragraph (b) (ii).

21.25 Personnel administration is now concerned not only with recruitment, selection, placement, utilization, promotion, discipline and compensation of

public personnel, but also with their training, career development and mobilization of overall human resources. Procedures and practices relating to those various facets were often inadequate and personnel policy was frequently in a rudimentary state. In some countries, the civil service may be further handicapped by a relative lack of internal mobility. Despite relatively low rates of compensation, the overall size of the civil services may impose too large a burden on the national central personnel agency, and the scope of its functions requires urgent attention in many developing countries as they affect the proper control and use of the civil services. Ethical standards of conduct may similarly require strengthening in order to prevent abuse of powers by civil servants.

21.26 A number of developing countries have been faced with questions concerning the numbers of staff in their civil services. Determination of surplus staff and retrenchment and decentralization of personnel functions from a central personnel office to line departments and/or local units are complex issues, particularly in the context of structural adjustment of national economies.

21.27 Establishment of a valid statistical base for civil service personnel is vital for development of effective public sector human resource planning and training. Computerized personnel information systems may be established to improve human resource management and planning, as well as training and management development.

21.28 The objectives of subprogramme 3 are:

(a) To enhance the capacity of Governments to improve their public personnel policy and rationalize their civil service systems;

(b) To strengthen the capacity of training institutions in developing countries to modernize and develop curriculum for management development, improve training methods and design training packages for senior management to enhance their skills in policy development.

(b) Course of action of the Secretariat

21.29 The Secretariat will implement the following course of action:

(a) Preparation of methodologies for civil service surveys and databases to be established for human resource planning and development;

(b) Preparation of technical guidelines on: (i) management development training; (ii) public service ethics; (iii) manpower planning for public service; (iv) retraining mechanisms; and (v) training of trainers;

(c) Technical cooperation activities, including advisory services, training and field projects.

SUBPROGRAMME 4. TAXATION SYSTEMS AND FINANCIAL RESOURCE MOBILIZATION

(a) Objectives

21.30 The legislative authority for the subprogramme derives from General Assembly resolution 35/66, annex, paragraphs 96 and 110; 41/182, S-18/3, 45/188 and 46/166; and Economic and Social Council resolutions 1273 (XLIII), 1765 (LIV), 1980/13, 1982/45, 1988/74 and 1990/265.

21.31 During the 1980s, most developing countries faced mounting domestic and external financial imbalances that resulted in unsustainable fiscal deficits and reduced public and private financial flows. To contain those deficits and promote a higher level of financial flows many countries have implemented policies aimed at improving their revenue administration, strengthening their domestic financial resource mobilization and enhancing international tax cooperation. On the revenue side, those countries adopted measures aimed at expanding the revenue base, increasing the elasticity of their tax systems and improving the efficiency and effectiveness of their tax administration. On the expenditure side they put emphasis on limiting the growth of current expenditure control, closer scrutiny of public service, restraint in wage and salary adjustments and streamlined public enterprises. On the international tax cooperation side, they concluded tax agreements and treaties to promote the flow of investment, trade and technology in the interest of more efficient resource allocation and growth.

21.32 In mobilizing revenue for socio-economic development, most countries continue to rely on taxation systems. They seek to strengthen the efficiency and effectiveness of tax administration in order to improve revenue performance and have introduced tax reforms to ensure complementarity between tax policy and their macroeconomic framework. Similarly, to enhance the efficiency and effectiveness of tax administration many countries are implementing programmes aimed at a comprehensive overhaul and improved operation of institutions concerned with the assessment, collection and enforcement of taxes. To bring reality in line with intentions, they are also implementing measures geared towards simplified administrative procedures, improved tax information systems, enhanced staff training and introduction of data-processing capacities.

21.33 In most cases such policy measures require consideration of revenue and spending jointly, raising budgetary revenues or cutting expenditure and/or some combination of both. As a result of this revenue and spending approach, public expenditures are being rationalized, budget deficits narrowed down and domestic financial resource mobilization enhanced. Increased domestic financial resource mobilization capacities also rely on policies and measures to improve customs and excise administration, enhance administrative capacities of local governments to raise revenue, mobilize household savings, reform public enterprises and the financial sector, and expand the role of the market and private sector involvement.

21.34 The objectives of subprogramme 4 are:

(a) To enhance the capacity of developing countries to mobilize all available domestic financial resources and to mobilize foreign financial

resources on terms and conditions compatible with national priorities and legislation;

(b) To promote appropriate fiscal and financial policies and measures in support of development, including measures to reform tax systems, combat tax evasion and widen the tax base, and to develop options for broad-based development.

(b) Course of action of the Secretariat

21.35 The course of action will include:

(a) Policy-oriented research and analysis on the structure and functioning of the financial sector of developing countries and countries in transition to a market economy. Issues such as interest rate policies, credit allocation, prudential regulations, supervision of institutions and markets will be addressed with a view to mobilizing additional savings. Research and consultations will be undertaken with a view to establishing a multilateral convention on mutual assistance in tax collection with guidelines for international cooperation aimed at combating tax evasion and avoidance. Increased attention will be given to development and formulation of branch and subsidiary profits, international leasing of ships, containers, commercial equipment, aircraft leasing and transfer pricing questions. Research will be undertaken on problems arising in connection with utilization of the United Nations model double taxation convention between developed and developing countries;

(b) Research and analysis to determine the appropriate tax reforms that are needed to improve the tax base and to improve the taxation of economic activities, including agriculture, manufacturing and services, to minimize tax compliance costs and to promote allocative efficiency and growth;

(c) Assistance to developing countries, in particular in Africa, to implement the conclusions and recommendations of the seminars on revenue administration and developing countries;

(d) Preparation and dissemination of global studies and guidelines on improving revenue administration for mutual assistance in tax collection; and of supplements to the international tax agreement series;

(e) Support to developing countries and transitional economies in reforming the financial sector and increasing the contribution of household savings in the mobilization of domestic financial resources.

SUBPROGRAMME 5. PUBLIC SECTOR FINANCIAL MANAGEMENT

(a) Objectives

21.36 The legislative authority for the present subprogramme derives from Economic and Social Council resolutions 1985/10, paragraph 6 (d), and 1987/92, and decision 1989/114, paragraph (b) (i).

21.37 Financial management is crucial to successful government, because it contributes to better planning and allocation, more effective control and greater accountability in the use of resources. Consequently, Governments wishing to improve their effectiveness and those concerned with improving governance frequently seek financial management reforms. Moreover, policies that seek to re-prioritize public expenditure, modify financial relationships with the public enterprise sector, improve debt management, make better use of liquid resources, decentralize government responsibilities to local levels and stem financial leakages all depend on the existence of adequate financial management capacity.

21.38 The quality of public sector financial management varies greatly between countries and even within countries depending on the institution and level of government concerned. In some developing countries it is inadequate, reflecting factors such as environment, lack of resources and limited institutional capacity. Such factors are amenable to change over different time scales, depending on the will of government and the availability of assistance. In other countries, financial management is more adequate, but would benefit from a more up-to-date approach, including the application of modern technology.

21.39 The objective of subprogramme 5 is to assist Governments of developing countries and countries in transition to a market economy at the central, regional and local levels to strengthen the management of their public financial sector, with particular emphasis on:

(a) Government budgeting systems, so that public expenditures can be effectively planned, authorized and incurred in relation to realistic estimates of prospective resources;

(b) Financial controls, so that resources are managed with due regard to propriety and accountability;

(c) Accounting systems, so that accurate relevant and timely records, reports and information are available on government assets, liabilities, revenues and expenditures;

(d) Financial management, so that resources such as liquid assets and capital investments are protected and used intensively to achieve optimum effectiveness, and borrowings are managed with adequate regard to timing, cost, creditworthiness and so on;

(e) Audit, so that administrative and management shortcomings are identified and corrective measures taken;

(f) Measures to improve the performance of public enterprises.

(b) Course of action of the Secretariat

21.40 The Secretariat will follow the following course of action:

(a) Undertake technical cooperation activities and provide advisory services in public financial management, including public enterprise reform;

(b) Review and support developments in the field of public financial management, in particular concerning increased transparency, accountability and decentralization;

(c) Carry out surveys and studies in the field of government financial management on topics such as aid management and accountability; the financial management implications of changes in information technology; modern audit techniques; budgeting for programmes and results; and the development of integrated financial management systems;

(d) Disseminate the results of the surveys and studies in forms suitable for Governments of developing countries and countries in transition to a market economy via seminars, publications and the provision of training materials and training courses;

(e) Monitor and report on trends in public enterprise reform.

SUBPROGRAMME 6: PROMOTION OF AN ENABLING ENVIRONMENT FOR THE PRIVATE SECTOR, INCLUDING ENTREPRENEURSHIP

(a) Objectives

21.41 The legislative authority for the subprogramme derives from General Assembly resolution 48/180, on entrepreneurship and privatization for economic growth and sustainable development. The mandate also derives from a number of other resolutions of the Assembly, such as resolutions 48/170, on assistance to land-locked States in Central Asia, 48/171, on the implementation of the Programme of Action for the Least Developed Countries for the 1990s, 48/172, on economic and technical cooperation among developing countries, 48/179, on science and technology for development, and 48/181, on integration of the economies in transition into the world economy.

21.42 Development of the private sector plays an integral role in the efforts of countries to build national capacity and increase economic growth. The task of encouraging that development requires innovative efforts and resources on the part both of government as well as the private sector itself.

21.43 All too frequently, national policies in many countries have not been sufficiently geared towards providing the requisite enabling environment for the private sector. Frequently absent is the necessary matrix of legislative, regulatory, financial and fiscal systems conducive to the creation of a favourable and predictable environment in which entrepreneurship and the private sector can contribute to economic development. Rather than overregulate the private sector, government can formulate the necessary policies and enact labour, trade and investment laws that are supportive of private investment and the growth of entrepreneurial capacity.

21.44 The objectives of subprogramme 6 are:

(a) To strengthen the capacity of Governments of developing countries and countries in transition to a market economy to design, mobilize support for, and implement their privatization policies and programmes so as to achieve more

fully their objectives of moving from centrally controlled and highly protective economies towards market systems;

(b) To review and analyse the role of Governments and non-governmental organizations in creating and maintaining an enabling environment for small and medium-sized enterprises, including those divested from the public sector, and to monitor and report on trends;

(c) To promote indigenous entrepreneurship.

(b) Course of action of the Secretariat

21.45 The Secretariat will implement the following course of action:

(a) Assistance to Governments in the formation and strengthening of government agencies and joint public/private organizations in the design of the enabling environment for policy and support institutions, the identification and training of technology-based entrepreneurs, and the formation of associations of entrepreneurs and regional networks;

(b) Policy-oriented research and publication of reports on privatization policies and programmes, including regulatory environment, tax policies and financial sector development to promote national entrepreneurship;

(c) Technical cooperation activities, including advisory services, training, field projects and support to national and international networking and cooperation, in the area of entrepreneurship and enterprise promotion, in selected countries, particularly the least developed and land-locked countries and countries in transition to a market economy.

SUBPROGRAMME 7. BUILDING OF NATIONAL CAPACITY FOR PROGRAMME AND PROJECT MANAGEMENT

(a) Objectives

21.46 The legislative authority for the subprogramme derives from General Assembly resolutions 44/211 and 47/199, and UNDP Governing Council decision 93/30.

21.47 In response to the far-reaching changes in the flow and delivery systems of technical cooperation, developing countries have been re-examining their internal structural capacities and organizational arrangements to ensure that aid is supportive of development objectives. That process has received the endorsement of the General Assembly, which has recognized the need to reorient operational activities towards strengthening national capacities in all phases of the programme and project cycle. While historically strategies in planning and executing programmes and projects were based on the premise of shared responsibility by national Governments and the funding and executing agencies, restructuring of the ways and means of delivering technical cooperation has now placed less emphasis on this tripartite approach in favour of more decentralization and national execution of programmes and projects. In its resolution 47/199, the General Assembly concluded that recipient Governments had

primary responsibility for the coordination of all external assistance on the basis of their national strategies and priorities.

21.48 It has become increasingly evident that building sustainable capacity locally within the developing countries is of overriding importance to the successful implementation of technical cooperation programmes. In the past, technical cooperation placed too much emphasis on the services of expatriate experts and less on productive training and the transfer of skills. There was an absence of national involvement in the identification and design of projects. The new approach intends to rectify that shortcoming by assisting countries in developing the necessary trained local staff.

21.49 The new emphasis placed on national execution of programmes and projects underscores the need to enhance the appropriate local institutional capacities and management skills.

21.50 The objective of subprogramme 7 is to enhance national capabilities in the effective management of development assistance programmes and projects through the transfer of skills and training for effective national execution.

(b) Course of action of the Secretariat

21.51 The course of action will include the following:

(a) Support to national entities in carrying out their execution and implementation responsibilities. Particular emphasis will be placed on measures to facilitate the transfer of skills through various modalities of advisory services and training activities, including training in project design, appraisal, evaluation, financial accounting and reporting and auditing systems;

(b) Provision to developing countries on a continuous basis of services on all matters and activities related to the mobilization, deployment and development of human resources for technical cooperation purposes, administration of fellowships and other training activities, procurement of equipment and so on;

(c) Undertaking institution-building and training to enhance government capacity for national execution, in coordination with other agencies and field offices.

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MAJOR PROGRAMME IV. INTERNATIONAL COOPERATION FOR DEVELOPMENT

Programme 22. Human settlements

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revisions proposed below modify the narrative of programme 22, Human settlements, of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/7/Rev.1 and Corr.1.

4. The revisions reflect the new mandates regarding the preparatory processes for the second United Nations Conference on Human Settlements, the linkages between human settlements and environment, and various legislative measures adopted by policy-making bodies relating to the activities of UNCHS (Habitat). They entail the inclusion of new subprogrammes and textual changes updating the narrative where necessary. While the number of the subprogrammes remains the same, the titles of subprogrammes 3 and 6 are modified, and subprogrammes 5, 7 and 8 are new.

5. The revised text of programme 22 is presented in its entirety. In order to facilitate review of the revision, the table below presents a summary of the proposed changes to the existing subprogrammes, as contained in document A/47/6/Rev.1 and Corr.1.

	Subprogrammes in document A/47/6/Rev.1	Proposed changes		Revised/new subprogrammes
1.	Global issues and strategies	Narrative updated.	1.	Global issues and strategies
2.	National policies and instruments a/	Narrative updated.	2.	National policies and instruments a/
3.	Integrated settlement management	Expanded to include subprogramme 5 and part of subprogramme 4 relating to municipal finance.	3.	Managing human settlement development, including financial and land resources
4.	Financial resources	Municipal finance is incorporated in revised subprogramme 3, housing finance in revised subprogramme 6.		
5.	Land management	Incorporated in revised subprogramme 3.		
6.	Infrastructure development and operation a/	Title changed; narrative expanded to include technological and environmental aspects.	4.	Improving infrastructure and the living environment a/
		New subprogramme.	5.	Managing disaster mitigation, reconstruction and development
7.	Housing production	Incorporated in revised subprogramme 6.	6.	Housing for all (incorporates current subprogrammes 7 and 8 and the housing finance component of subprogramme 4)
		New subprogramme.	7.	Strengthening local communities
		New subprogramme.	8.	Reducing poverty and promoting equity
8.	Construction sector	Incorporated in revised subprogramme 6.		

a/ High priority subprogrammes.

PROGRAMME 22. HUMAN SETTLEMENTS

A. Programme

1. General orientation

22.1 The issue of human settlements provides a coordinating framework for the assessment of social, economic and environmental resources for national development. This pivotal role of human settlements in national development, especially for the developing countries, has been brought increasingly to the attention of governmental policy makers and administrators, international organizations and training and research institutions. Indeed, sound management of rural and urban settlements can be the vehicle for overcoming many of the social, economic and environmental problems faced by all countries, industrialized and developing. Even though a large number of countries have increased their attention to human settlement issues in recent years, the improvements achieved do not match the scale of the problems, owing in part to the continued application of outmoded approaches to the many critical aspects of human settlements. The most important of these are outlined below:

(a) Over 1 billion people live in inadequate shelter conditions whose improvement requires the concerted efforts of Member States and the international community, based on new approaches and undertaken on a scale never before attempted;

(b) The need for a better understanding of the role of urbanization and cities in national development by Governments, policy makers and the aid community;

(c) Inadequate policies and practices for the management of settlements of all sizes, from large urban agglomerations to small towns and rural centres, which are unable to provide the efficient base required for economic growth or to forestall social disruptions arising out of increasing poverty, inadequate shelter and services, and poor health;

(d) Inadequate use of potential and resources - human, technical and financial - of a large number of actors in human settlement development, such as the private sector, community-based and non-governmental organizations and women's groups;

(e) Inadequate use of indigenous natural resources, particularly those useful for the environmentally sound production of affordable building materials;

(f) Inadequate attention to an integrated approach to the provision and management of infrastructure services for environmental improvements to living conditions;

(g) The unexplored opportunities for poverty reduction through programmes of shelter and environmental improvements that have the potential for creating employment as well as a sound base for income-generating activities by the poor;

(h) Inadequate attention to disaster mitigation through sound human settlement planning and development, and absence of a firm linkage between relief assistance, rehabilitation and sustainable development.

22.2 In addressing these issues, the medium-term plan for human settlements for the period 1992-1997 takes into account all the relevant resolutions and decisions of the General Assembly, the Economic and Social Council, the Commission on Human Settlements and the Commission on Sustainable Development. Particular attention is being paid to those resolutions relating to the Global Strategy for Shelter to the Year 2000, designed to facilitate adequate shelter for all by the year 2000; the second United Nations Conference on Human Settlements (Habitat II) to be held in 1996; Agenda 21, adopted by the United Nations Conference on Environment and Development; the Nairobi Forward-looking Strategies for the Advancement of Women, which set out various aspects of human settlement development in which women should be fully involved; the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy, in particular, the application of renewable-energy inputs to the production of building materials and to the construction and operation of buildings; the Global Strategy for Health for All by the Year 2000; and the International Decade for Natural Disaster Reduction.

22.3 The medium-term plan's objectives and activities now fully incorporate the main human settlement-related objectives adopted by the United Nations Conference on Environment and Development in order to ensure that UNCHS is able to perform its role as task manager for the implementation of the human settlement component of Agenda 21. In addition to chapter 7 of Agenda 21, "Promoting sustainable human settlement development", which states that the overall human settlement objective is to improve the social, economic and environmental quality of human settlements and the living and working environments of all people, in particular the urban and rural poor, reference is also made to the following chapters of Agenda 21: 3, "Combating poverty", with special reference to "Empowering communities"; 9, "Protection of the atmosphere", with special reference to "Energy development, efficiency and consumption" and "Transportation"; 10, "Integrated approach to the planning and management of land resources"; 17, "Protection of the oceans", with particular reference to "Integrated management and sustainable development of coastal areas, including exclusive economic zones"; 18, "Protection of the quality and supply of freshwater resources"; 21, "Environmentally sound management of solid wastes and sewage-related issues"; 24, "Global action for women towards sustainable and equitable development"; 27, "Strengthening the role of non-governmental organizations: partners for sustainable development"; and 28, "Local authorities' initiatives in support of Agenda 21".

22.4 In addition, at its fourteenth session, the Commission on Human Settlements adopted resolution 14/20 on substantive issues for consideration by the second United Nations Conference on Human Settlements (Habitat II) and its preparatory process. In that resolution the Commission proposed two substantive themes for the Conference, which it saw as of crucial importance in assisting national communities: (a) sustainable human settlements in an urbanizing world; and (b) adequate shelter for all. The substantive issues and the two themes have now been incorporated into the revised medium-term plan.

2. Overall strategy

22.5 To address these issues, UNCHS will undertake technical research on substantive issues, prepare training curricula and training materials, publish and disseminate information, and undertake technical and other cooperation with Governments, local authorities, non-governmental organizations and other major groups, educational and research institutions and specialized agencies in activities designed to meet programme objectives. The Centre will also provide substantive support to Habitat II and play a leading role in the implementation of its recommendations.

22.6 Within the United Nations system, close collaboration will continue with UNEP on environmental aspects of human settlements, with the Department for Humanitarian Affairs on disaster mitigation, with WHO on health aspects of human settlements, with ILO on employment in the human settlement sector, with the World Bank and UNDP on urban management, training and the application of urban and shelter indicators, with UNIDO on the development of indigenous building materials and with other United Nations departments and programmes as well as specialized agencies executing programme elements relevant to the human settlement sector. It is expected that member States will significantly increase their human settlement efforts as part of their commitment to the implementation of the Global Strategy for Shelter to the Year 2000, the implementation of the human settlement components of Agenda 21, the preparatory process for Habitat II and the Global Plan of Action expected to be adopted by Habitat II.

22.7 The development of human settlements is a multidisciplinary and intersectoral activity, and human settlement management is linked to all programmes of economic, social and environmental improvement.

22.8 Coordination of human settlement programmes has been covered by the cross-organizational programme analysis of the activities of the United Nations system submitted to the twenty-ninth session of the Committee for Programme and Coordination (E/AC.51/1989/8). Cooperation and coordination of the activities within the United Nations system are to begin from the planning and programming stage to ensure complementarity and effective coordination.

3. Subprogramme structure and priorities

22.9 The programme on human settlements will consist of the following subprogrammes:

Subprogramme 1. Global issues and strategies

Subprogramme 2. National policies and instruments

Subprogramme 3. Managing human settlement development, including financial and land resources

Subprogramme 4. Improving infrastructure and the living environment

Subprogramme 5. Managing disaster mitigation, reconstruction and development

Subprogramme 6. Housing for all

Subprogramme 7. Strengthening local communities

Subprogramme 8. Reducing poverty and promoting equity

22.10 Subprogrammes 2 and 4 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. GLOBAL ISSUES AND STRATEGIES

(a) Objectives

22.11 The legislative authority for the subprogramme derives from General Assembly resolutions 43/181, 46/163, 47/180 and 47/190 (Agenda 21), and Commission on Human Settlements resolutions 12/6, 13/19, 14/6 and 14/20.

22.12 One of the main responsibilities of UNCHS is to ensure harmonization at the inter-secretariat level of human settlement programmes planned and carried out by the United Nations system, and to assist the Commission on Human Settlements in coordinating human settlement activities in the United Nations system, to keep them under review and to assess their effectiveness. This core responsibility has taken on a new dimension and increased importance with the designation of Habitat as task manager for the human settlement programme of Agenda 21, responsible for reporting system-wide on implementation, as well as for the development of system-wide joint programming and the development of joint strategies in the area of human settlements within the context of Agenda 21 implementation. Further increasing the global and system-wide responsibilities of UNCHS under this subprogramme has been the decision of the General Assembly to locate the secretariat of Habitat II within the Centre. The goal of Habitat II is, inter alia, to elaborate a new global plan of action in the area of human settlements through the first decades of the coming century. Both the emphasis on human settlement development in Agenda 21 and the decision to hold the Habitat II Conference confirm that human settlements and their accelerating development through population growth and urbanization are and will be a high-priority global challenge and a growing focus of attention of national and international policy makers in the pursuit of the overall goal of sustainable development. Moreover, the analysis of current and projected trends provides ample evidence that the future of human settlements is inextricably and increasingly linked to other global development issues - conditions of trade, natural resource consumption patterns, population growth, resource mobilization, poverty alleviation, employment generation, gender, governance, human rights, democratization, technology transfer, environmental protection and the policies and impact of international assistance and development agencies - as well as the strategies derived to deal with these issues, thus underscoring the necessity of securing a central place for human settlements in a global agenda for

development, as well as the need for a cross-sectoral approach to the global analysis of human settlement development trends.

22.13 It is expected that these global human settlement trends will continue, in some regions at an even more accelerated pace. In several regions, subregions and countries, the instability directly or indirectly resulting from the end of the cold war has led to local conflicts that have in many cases had a severe effect on human settlements and their inhabitants, requiring an urgent response on the part of the international community. Uncertain world economic conditions continue to cast a shadow over human settlements in many countries. In the developed regions, countries will have to deal with problems similar to those which have made themselves felt in the last part of the 1980s - ageing populations, disparities in the quality and availability of housing, services and employment, environmental pollution, rising levels of social disintegration and marginalization of underprivileged groups, and growing fiscal insolvency on the part of many municipalities. A re-emergence of a more robust rate of economic growth in industrialized countries and the increasing demand for an improved and sustainable quality of life should make it more likely that policies and investments will be directed towards addressing problems with more vigour than during the past decade and to bringing about a general improvement of conditions within human settlements. In the countries in transition, rapid social and economic transformation is having a serious effect on human settlements and posing new challenges for local authorities in the areas of transport, housing and services. In developing countries, trends suggest that the 1990s will witness limited improvements in some countries, with an overall deterioration of the quality of life in the urban and rural areas of the great majority of countries, owing to deteriorating or stagnant economic conditions, continuing population growth, environmental decline, growing demand for housing and related services, deteriorating infrastructure, rising levels of violence and social disintegration, absence of sound human settlement development policies and the institutional capacity to execute them, lack of effective management capacity at the local level and insufficient levels of public and private investments in human settlements, the latter indicating a need for a more intense focus on resource mobilization and resource mobilization strategies at the global, national and local levels. Finally, there is mounting evidence that human settlements in all countries will be profoundly affected by the ongoing trends of globalization and liberalization in the world economy, which will redefine their economic and social roles in both rural and urban areas as well as the relationship between rural and urban areas within the global and national division of labour. Furthermore, the increased attention paid by the international community to human rights has focused greater international attention on the right to adequate housing.

22.14 The overall objective of subprogramme 1 is to identify and respond to global human settlement trends, particularly as they affect and are affected by political, economic, social and environmental change. More specific objectives include the following:

(a) Promoting the incorporation of global policy instruments such as the Global Strategy for Shelter to the Year 2000 and chapters 7 and 21 of Agenda 21 into national sustainable development strategies; and more effective integrated

human settlement policies and programmes at the international and national levels;

(b) Ensuring that funding and resource mobilization for human settlement development is given due consideration in the assistance programmes of both the international community and donor countries;

(c) Raising global awareness of the global impact of urbanization and the primary importance of sustainable human settlement development, with international support for raising incomes, improving living and environmental conditions, and the efficient use of land and other resources in both rural and urban areas;

(d) In the context of Agenda 21, promoting the development of strategies and joint programming implementation mechanisms in the area of human settlements at the inter-secretariat level within the United Nations system;

(e) Developing the capacity of UNCHS to serve as the focal point of reference and exchange of information on human settlement policies, trends and issues.

(b) Course of action of the secretariat

22.15 The Secretariat plans to pursue these objectives through the following actions:

(a) Global analysis of human settlement development trends, including linkages between demographic, political, economic, social, technological and environmental trends and issues, on the one hand, and human settlement development, on the other. Such analysis would be preceded by (and based on) the building of comprehensive data and information bases on human settlement policies, conditions and trends, leading to greater global awareness of evolving human settlement issues and, ultimately, to more effective integrated human settlement policies and programmes at the international and national levels;

(b) Assisting the Commission on Human Settlements to report on the implementation of human settlement-related programmes throughout the United Nations system and to formulate joint strategies and programming mechanisms, and assisting the Preparatory Committee of Habitat II in the drafting of a new global plan of action in the area of human settlements;

(c) Launching a sustained campaign aimed at raising global awareness of the global impact of urbanization and the primary importance of sustainable human settlement development;

(d) Increased contacts and cooperation with other bilateral donors and multilateral agencies, particularly UNDP and the World Bank, as well as other intergovernmental bodies, especially the Development Assistance Committee of OECD, as well as with the OECD Urban Affairs Programme, in order to effect a greater allocation of resources and priority to sustainable human settlement development in the development assistance work of the international community and bilateral donors.

22.16 The focus will be not on a rigid top-down approach, but rather on an enabling approach to national policy, including the involvement of all non-public actors, especially community and women's groups, non-governmental organizations, the private sector and local authorities. Progress in this direction will be evaluated and monitored on a regular basis through progress reports to the Commission on Human Settlements and other bodies and organs of the United Nations. It is expected that UNCHS will thereby establish its leading and coordinating role within the United Nations system, consolidate its position as a centre of excellence for the analysis of all information on global human settlement trends and become a full partner of all global and sectoral development agencies on the basis of its unique responsibilities and experience in sustainable and integrated human settlement development and on the strength of the impact of human settlements on the quality and sustainability of life.

SUBPROGRAMME 2. NATIONAL POLICIES AND INSTRUMENTS

(a) Objectives

22.17 The legislative authority for the subprogramme derives from General Assembly resolutions 43/181, 46/163, 47/180 and 47/190 (Agenda 21), and Commission on Human Settlements resolutions 12/14, 13/7, 13/13, 14/4, 14/6, 14/13 and 14/20.

22.18 Experience over the previous medium-term plan period shows that the main constraints to human settlement development, particularly in developing countries, is not only the absence of an explicit national human settlement policy, but also the lack of its internal integration with policies and strategies in other sectors, the lack of appropriate implementation mechanisms and in particular the scarcity of qualified human resources at all levels (policy, managerial and technical), low effectiveness and efficiency of settlement management institutions, insufficient sharing of information and still low societal awareness and policy response to the challenges, implications and opportunities of continuing rapid urbanization in the developing world, which is shifting the focus of development policy towards cities and towns and redefining rural-urban linkages and interactions. It is expected that, owing in part to the constraints mentioned above, the capacity of national Governments in most developing countries to cope with urbanization and settlement management and development and with dramatically rising quantitative and qualitative demands for shelter and basic infrastructure - as well as with an array of other economic, social and environmental problems arising from urbanization - will be put to an increasingly severe test.

22.19 The impact of urbanization on all areas of social and economic development policies is still not widely recognized, at either the international or national levels, nor the need for an integrated approach, including the consideration of related environmental and gender issues and rural-urban linkages, appreciated. Isolated sectoral initiatives are still the norm, often producing contradictions, omissions, duplications and subsequent costly policy failure. This is reflected in a lack of institutional and sectoral coordination and cooperation at the national level. Institutional capacity to pursue coordination and cooperation, as well as to carry out sectoral programmes, is

often lacking to respond to the political, social, economic, spatial, physical and environmental impacts of urbanization. This worsening situation continues to be compounded by the scale of the challenge and by the tendency of national policy to be based on optimistic expectations and inaccurate assessment of looming human settlement policy issues - in part because of the lack of accurate data, indicators and information bases - all of which are obstacles to integrated policy responses based on innovative options and the domestic mobilization of hitherto neglected human and financial resources. Such an integrated response is more required in relation to the implementation of Agenda 21, which requires the coordination of human settlement policies with the sectoral programmes of Agenda 21 - and within the framework of the sustainable development paradigm - at the national as well as at the international level. It is also expected that the national preparatory activities for Habitat II will also contribute much to awareness-building on urban and human settlement development issues, leading to more effective national policy responses.

22.20 The objectives of subprogrammes are:

(a) To create greater awareness of emerging human settlement policy issues arising in particular out of the impact of urbanization, including rural-urban linkages and gender and environmental issues related to human settlement development;

(b) To promote integrated and cross-sectoral policy responses to human settlement development;

(c) To promote a more effective human resource development and institutional capacity-building for human settlement development and management leading to improvement in the performance and effectiveness of those sectoral programmes and institutions of relevance to human settlement development;

(d) To strengthen the capacity of Governments in establishing data and information bases, including indicators;

(e) To promote improvement of national implementation instruments, including regulatory frameworks and legislation, in order to facilitate an enabling approach to human settlements and shelter development and to foster public-private partnership in all areas of human settlement management and development.

(b) Course of action of the secretariat

22.21 These objectives will be pursued in the context of the preparatory activities for Habitat II and will include the following actions:

(a) Intensified research on national human settlement conditions and trends, including the preparation of country profiles, leading to assistance to Governments in the assessment of their human settlement sector and identification of priority policy issues;

(b) Assisting Governments in the preparation of sustainable and integrated human settlement policies, including spatial development and integrated rural-

urban development policies that give due consideration to all relevant demographic, political, economic, social, environmental and gender issues;

(c) Assisting Governments in building data and information bases, including sets of indicators, so as to enable them to make informed assessment, take decision and formulate more effective policy, including in relation to resource allocation in the areas of human settlement management and development and at all levels of government;

(d) Assisting Governments in their efforts to improve or develop national human settlement institutional arrangements, with specific emphasis on measures to support local authorities through decentralization policies and on measures to include non-governmental actors, especially non-governmental organizations, community and women's groups and the private sector, in the decision-making process regarding human settlement management and development;

(e) Supporting national and local capacity-building institutions, through development of human settlement capacity-building methodologies, tools and instruments, and national and international training programmes.

SUBPROGRAMME 3. MANAGING HUMAN SETTLEMENT DEVELOPMENT, INCLUDING FINANCIAL AND LAND RESOURCES

(a) Objectives

22.22 The legislative authority for the subprogramme derives from General Assembly resolutions 43/181, 46/163, 47/180 and 47/190 (Agenda 21), and Commission on Human Settlements resolutions 12/14, 13/18, 14/15, 14/17 and 14/20.

22.23 Agenda 21 has drawn the critical attention of the global community to the need to promote sustainable human settlement development, including land management and financial resources, as mainly stated in chapters 7, 10 and 28. Programme B of chapter 7, "Improving human settlement management", and programme C, "Promoting sustainable land-use planning and management", both stress the importance of improving the social, economic, physical and environmental conditions of human settlements, in particular the conditions of both rural and urban poor, thereby contributing to the achievement of national and global human development. The overall objective of this subprogramme is therefore to promote sustainable development management approaches for all human settlements, focusing on good governance and the promotion of strategic interventions in broad-based participatory decision-making. This objective also supports the preparatory process for Habitat II.

22.24 Many industrialized countries, despite massive progress in economic growth and productivity and in improvement of living conditions for the majority of their populations, are experiencing some of the classic side-effects of growth: environmental degradation, traffic congestion, inadequacy of some essential services and housing shortages. These are not insurmountable problems, given the resources available and the prominence of these issues on the political agenda of most industrialized countries. Much more disturbing is the surfacing of the same problems in the rapidly growing settlements, large and

small, of the developing countries, which manage, at best, to cope with only a fraction of the demand for the basic components of human settlement development on an ad hoc and haphazard basis. Yet the future price to be paid for unplanned settlement development in the developing countries is such that settlement management is not an option but an imperative for the decade ahead. The problem is to meet, in a coherent technical way, the quantitative and qualitative demand for land, infrastructure, services and housing required for decent living, social well-being and economic output, through a broad-based participatory process of policy and decision-making.

22.25 Providing the financial resources needed for investment has, in the past, proved to be one of the main bottlenecks in human settlement development. Efforts to mobilize financial resources in the private and public sectors have not been able to yield the volume required. While this failure is closely linked to the overall performance of economic development, which, in recent years, has been hampered by deteriorating terms of trade and by the burden of international debt on the developing countries, problems of insufficient development of financial institutions, inefficient systems of resource allocation and, in the public sector, excessive centralization and lack of cost recovery and utilization of potential sources have contributed to the inadequacy of human settlement investment.

22.26 Land and land management will continue to be important issues in all countries, regardless of their level of development. Land scarcity and land prices, particularly in intensely developed regions and in metropolitan areas, will continue to be a primary issue. Nevertheless, mature economies can count on an established range of instruments to address such problems and will be favoured by very slow population growth and mobility rates. Many developing countries will be confronted with similar problems, varying in scale, but all of them will have to make available and develop enormous quantities of land in a context of extremely high population growth and mobility, high urbanization rates and persisting weaknesses in national policy instruments and land management capacity.

22.27 The objectives of subprogramme 3 are:

(a) To improve management of human settlements and ensure their sustainable development in order to maximize productive output and provide acceptable living conditions for all population groups, with special attention to the needs of women, of the poor and of other disadvantaged groups;

(b) To enable national and local governments to achieve responsive, participatory administration, efficient service delivery, effective transport provisions, adequate access to open space and recreational facilities, and healthy environments;

(c) To mobilize financial resources for human settlement development and establish financial systems in such a way that the flow of those resources is assured on a sustainable and equitable basis, bearing in mind the special needs of low-income households and disadvantaged groups;

(d) To promote land-management systems that will provide for the land requirements of human settlement development through environmentally sound physical planning and land use so as to meet all settlement functions and to ensure access to land to all households and, where appropriate, the encouragement of communally and collectively owned and managed land. Particular attention will be paid to the needs of women and indigenous people for economic and cultural reasons;

(e) To enable national and local governments to exploit the land asset in settlement development, particularly in rapidly growing urban settlements.

(b) Course of action of the secretariat

22.28 These objectives will be pursued through various actions, which will focus on the following areas:

(a) Metropolitan, secondary-city and rural settlement management: implementation and improvement of planning systems and techniques of implementation performance, of operation and maintenance of local and regional systems, of municipal administrative practice, the functioning of local authorities and good governance, including technical support to human resource development programmes, with special emphasis on the provision of equal opportunity for women in the management of metropolitan and secondary centres and rural regions;

(b) Global programmes of assistance: assistance to countries, and municipalities in particular, in adopting sustainable urban management practices, such as the UNDP/World Bank/UNCHS Urban Management Programme, the Sustainable Cities Programme, the City Data Programme and the Urban Indicators programme;

(c) Resource mobilization (in the public and the private sectors): efforts will focus primarily on the identification of revenue potential at national and local levels, on analysis of taxation and subsidy systems, and on means of recovering costs of human settlement investment. A second concern will be the mobilization of savings, with emphasis on the untapped savings potential of low-income groups and the informal sector. The secretariat will, therefore, collect information and prepare case-studies in developing countries on systems of local government financing of human settlement investment, on financial management practices and on subsidy systems that reach various target groups. After analysis and evaluation, the findings will be published for general dissemination and integrated in the development of training material. Similarly, information on innovative approaches to mobilizing the savings of low-income groups will be collected, analysed and made available to relevant institutions;

(d) Resources management: the secretariat will address problems of resource management in the public sector, where inefficiencies in budgeting and control are still pervasive. The thrust of the Global Strategy for Shelter is to create an enabling environment for shelter development, by streamlining operations of local government in human settlement development and improving its ability to deliver infrastructure and services for the poor. Many countries

have created public funds based on mandatory saving schemes or earmarked tax revenues, which have, so far, not been able to fulfil their objective of improving the human settlement conditions of low-income groups. Management of such funds, their links to the shelter delivery system and their impact on savings behaviours and on capital markets need to be understood. The secretariat will, therefore, collect information and prepare case-studies in developing countries on sound management of local government finances, on efficient practices for management of public funds and on systems to reach various target groups. After analysis and evaluation, the findings will be published for general dissemination and integrated in the development of training materials;

(e) Financial institutions: specialized institutions for financing infrastructure investment have often failed to improve delivery of services to the poor. Problems are frequently caused by an institutional and regulatory framework set up under development strategies that are no longer valid. The secretariat will collect information on effective institutional set-ups and on principles that guide sound development of financing institutions, with special reference to the need to reach all target groups. Particular attention will be paid to community-based finance institutions, to promote local financing services and to tap the savings potential of low-income groups. After analysis and evaluation, the findings will be published for general dissemination and guidelines will be prepared for the development of a regulatory framework that is responsive to the financing needs of low-income groups;

(f) Land supply: identification and application of procedures to improve the operation of land markets and to promote land supply systems capable of meeting the large-scale needs of present and future settlements, drawing on the capacities of the public, private and community sectors;

(g) Land instruments: development and operation of all legislative and administrative systems required for the management of land supply systems, including land registration, land transaction and property taxation procedures needed for the efficient functioning of land markets and the generation of revenues;

(h) Land resource management: strengthening global coordination of land resource management activities through the various bilateral and multilateral agencies and programmes to promote the transfer of applicable experience of sustainable land management practices to and among developing countries.

SUBPROGRAMME 4. IMPROVING INFRASTRUCTURE AND THE LIVING ENVIRONMENT

(a) Objectives

22.29 The legislative mandate for the subprogramme derives from General Assembly resolutions 43/181, 46/163, 47/180 and 47/190 (Agenda 21), and Commission on Human Settlements resolutions 12/15, 13/12, 13/17, 14/14 and 14/20.

22.30 Agenda 21 seeks to improve the social, economic and environmental qualities of human settlements by stimulating and supporting country initiatives

for improving the coverage and quality of infrastructure services and their accessibility to cities and by improved environmental planning and management, especially in urban areas, through enhanced capacity for management and the use of environmentally sound technologies. Achieving the infrastructure-related goals of Agenda 21 will require building the necessary technical, financial and human resource capacity for the sustainable provision and management of settlement infrastructure and for the better integration of infrastructure and environmental planning in human settlements. Managing the human environment is a central issue of the preparatory process for Habitat II.

22.31 A recent review of the sector indicates that despite the efforts made within the framework of the International Water Supply and Sanitation Decade, the number of people in developing countries remaining unserved with water supply and without sanitation has increased in absolute terms. Sectoral planning, which still remains the most common approach to basic service provision, has serious limitations in ensuring cost-effective and environmentally sound solutions. The use of inappropriate technologies in design and implementation remains a serious constraint to service expansion. Past sectoral investment patterns indicate continuing reliance on the traditional supply side approach with excessive emphasis on new provision, often at the cost of operation and maintenance. There is an urgent need to develop practical and replicable methods for the assessment of the effective demand of communities and to strengthen local capacities to incorporate such demand in the planning process.

22.32 Developing countries continue to face an acute shortage of the energy required to install and operate settlement infrastructure. The bulk of the population strive to meet their energy requirements by exploiting forests, resulting in environmental degradation. For sustainable energy development and use, Agenda 21 has underscored the need for international action to support developing countries in implementing national energy programmes in order to achieve widespread use of energy saving and renewable energy technologies. For this to happen, research, development and technical cooperation activities will have to focus on rapid commercialization of already available technologies and domestic capacity-building both at national and local levels for sustainable development of the energy sector.

22.33 A major concern of Agenda 21 is the rapid motorization and insufficient investments in urban transport planning, traffic management and infrastructure in developing countries, which are creating increasing problems in terms of accidents and injury, health risks, noise, congestion and loss of productivity in the economic sectors. Alleviating those problems will require human settlement development strategies that integrate transport, land use planning and the environment so as to reduce transport demand, promote mass transport modes and non-motorized modes, channel financial support to urban public transport development and encourage the decentralization of urban transport decision-making to the local level.

22.34 Sustainable development of infrastructure depends to a large extent on the access, in particular by developing countries, to environmentally sound technologies that use the available resources in a more sustainable manner, are less polluting and enable resource recovery from wastes and their ultimate

disposal in an environmentally sound manner. Chapter 34 of Agenda 21 has strongly urged international action in this area supporting technology cooperation to enable transfer of technological know-how as well as building up economic, technical and managerial capabilities for the efficient use of these technologies in infrastructure development and operation.

22.35 Infrastructure deficiencies and the poor management of existing infrastructure seriously affect the living environment of the population, particularly the urban poor. In many countries, environmental considerations are still not incorporated into the local planning and management process. The local and wider regional environmental impact of urban areas (e.g. energy use by households and the transport sector) are seldom taken into account when development decisions and investments in infrastructure are made. Management and planning tools such as those for environmental impact assessment are required that can effectively incorporate environmental considerations into planning and management practice at the local level. The need for capacity building in this area, especially at local level, is highlighted in chapter 28 of Agenda 21.

22.36 The objectives of subprogramme 4 are:

(a) To strengthen the capacity of Governments and communities to address the rapidly growing demand for infrastructural services (water, energy, transport, communication, sanitation, drainage and solid waste management) in an economically efficient and environmentally and socially sustainable manner;

(b) To promote cooperation and capacity-building for the use of environmentally sound technologies for sustainable development and management of settlement infrastructure.

(b) Course of action of the secretariat

22.37 These objectives will be pursued through a number of activities, which will focus on three major areas:

(a) Supply and demand management of settlement infrastructure and services: (i) capacity-building at national and local levels for infrastructure investment planning and provision, responding to effective demand of different social and economic sectors; (ii) improving management capacities for operations and maintenance, in order to increase the real value of existing investments in infrastructure; (iii) addressing equity concerns in urban service delivery, standards and pricing issues in particular; (iv) promoting effective and efficient management practices based on objective management information and transparency, and accountability and partnerships among a broad range of actors; (v) supporting the implementation of national energy programmes for the increased use of energy saving and renewable energy technologies; and (vi) promoting efficient and environmentally sound urban transport systems through a comprehensive approach to urban transport planning and management;

(b) Environmental planning and management: (i) promoting and facilitating a better understanding of key urban environment/development interactions; (ii) promoting application of modern environmental planning and management

approaches; and (iii) applying efficient delivery mechanism for capacity-building at local, national and regional levels;

(c) Cooperation and capacity-building for settlement-related, environmentally sound technologies: (i) supporting the development of international information networks to ensure the access of developing countries to information on environmentally sound infrastructure technologies; (ii) facilitating the access of developing countries to environmentally sound technologies for the development and operation of settlement infrastructure; and (iii) capacity-building in developing countries for the development, assessment, adoption, management and application of environmentally sound technologies through human resource development and the strengthening of institutional capacities.

22.38 In implementing the activities under this subprogramme, priority will be given to the needs of the least developed countries, vulnerable groups, the maximum use of local resources and partnership collaboration among a broad range of stake-holders in sustainable development of human settlements. Special attention will also be given to developing and expanding joint programmes and activities within the United Nations system and in forging new alliances, for instance, with the private sector, particularly the business community and non-governmental organizations.

SUBPROGRAMME 5. MANAGING DISASTER MITIGATION, RECONSTRUCTION AND DEVELOPMENT

(a) Objectives

22.39 The legislative authority for the new subprogramme derives from General Assembly resolutions 42/169, 43/202, 44/236, 46/149 and 47/190 (Agenda 21), and Commission on Human Settlements resolutions 12/17, 14/5 and 14/20.

22.40 Natural disasters and those resulting from the actions of human beings (including wars) are increasingly causing loss of life, damage to property and harm to the environment, and they often create massive population displacements and the need for major resettlement programmes. The impact of disasters is generally greater in human settlements, since they are, after all, concentrations of economic, productive and social activities, and consequently of the built environment. Reconstruction and rehabilitation efforts after massive destruction are still perceived as rebuilding efforts, reconstructing what has been damaged or destroyed to return to the pre-disaster situation, while the new trend in assisting disaster-prone countries should be mitigating the negative impact of natural and human-made disasters on human settlements, national economies and the environment. Increasing pressure from the risk of natural disasters is particularly to be noted in most of the rapidly growing settlements in coastal areas and in small island States.

22.41 Chapter 7 of Agenda 21 recognizes that reconstruction presents the opportunity to build anew and to improve on what existed before, that the sizeable reconstruction investments should be used to generate new economic growth and strengthen social institutions, and that reconstruction and rehabilitation can and should be development-oriented.

22.42 UNCHS is playing an active role in the work of the Inter-agency Task Force on the Continuum from Relief to Development established in 1993, and is contributing to the continuum of relief, rehabilitation and development activities of the United Nations system. In November 1993, UNCHS and UNEP established a joint task force to strengthen UNCHS/UNEP activities in the various stages of the continuum from relief to development, and to coordinate and provide inputs from both organizations to international events, activities related to the International Decade for Natural Disaster Reduction and to the Inter-agency Task Force on the Continuum from Relief to Development.

22.43 Recognizing that the magnitude and frequency of calamities often places overwhelming demands on central and local governments and communities, and that they are generally not prepared to meet the challenge, interventions by international organizations should now switch from the prevailing approach of post-disaster assistance and short-term relief towards longer-term development objectives, taking into account local perceptions and capacities. Long-term development strategies have to be developed to reduce dependency on aid.

22.44 The objectives of subprogramme 5 are:

(a) To enable countries, in particular those which are disaster-prone, to mitigate the negative impact of natural and human-made disasters on human settlements;

(b) To increase disaster awareness and preparedness among decision-makers, planners, builders and communities engaged in the planning and development of sustainable human settlements.

(b) Course of action of the secretariat

22.45 These objectives will be pursued through technical cooperation, research, training and dissemination of information. Specific activities will be developed under three main components: natural disasters, technological disasters and disasters resulting from civil strife and wars. A distinction will be made between natural disasters and human-made disasters when developing vulnerability-reduction strategies. These three main components will focus on the following areas of concern:

(a) Pre-disaster research and documentation;

(b) Awareness-raising, training, capacity-building and community participation;

(c) Damage assessment and post-disaster monitoring and rehabilitation;

(d) Dissemination and exchange of information on innovative approaches.

SUBPROGRAMME 6. HOUSING FOR ALL

(a) Objectives

22.46 The legislative authority for the subprogramme derives from General Assembly resolutions 43/181, 46/163, 47/180 and 47/190, and Commission on Human Settlements resolutions 12/9, 12/14, 13/9, 14/1, 14/13 and 14/20.

22.47 Housing represents a key sector of the economy and therefore must be managed to be responsive to the scale of the problems facing the sector as well as to optimize its contribution towards the achievement of broader goals of national social and economic development. The world-wide problem of adequate housing, particularly as regards the conditions of low-income households, defies the capacity of most Governments to deal with it by conventional means. Efforts are needed by Governments, in partnership with the private sector, non-governmental organizations and local communities, to support the provision of acceptable housing at affordable costs, in pursuit of the general goal of adequate shelter for all by the year 2000. Inadequate housing conditions, particularly as regards the needs of low-income groups in developing countries, result from the limited capacity of conventional programmes to produce affordable units on the required scale and the continuing problem of widespread poverty. The objective of the Global Strategy for Shelter to the Year 2000 is to mobilize a broad range of measures in support of housing production based on the principle of an enabling strategy and UNCHS, in collaboration with the World Bank, is assisting Governments in applying shelter indicators to assess the impact of the new national shelter strategies. Similarly, efforts will be directed to that issue in the course of the preparations for Habitat II, as a part of the Conference's objective under its first main theme, "Adequate shelter for all", in order to focus global attention on the need to take immediate concrete and positive measures, as identified through the application of the shelter indicators, to address this problem.

22.48 The inability to create housing finance systems responsive to the needs of the sector has been a constraint to the efficient performance of the sector. Amongst the main concerns are mobilization of the volume of funds needed and creating efficient and viable mortgage instruments capable of reaching the low-income households to increase their ability to finance their housing needs. Attempts to improve access to housing finance must be coordinated with the development of the financial sector as a whole. While development of housing finance institutions, legal and lending instruments, flexible payment procedures, recovery of loans as well as innovative approaches to the mobilization of resources and to the promotion of institutional arrangements to provide greater access by the poor are critical elements of a successful housing finance system, their efficiency and long-term effectiveness will depend to a large extent on national-level reforms of the finance sector leading to healthy competition in financial markets for mobilization of resources, efficiency of resource allocation at the national level, rationalization of taxes and subsidies, access to social security funds, real interest rates and so on.

22.49 In many developing countries the construction sector, despite the proven opportunities to develop an efficient and indigenous industry, still operates with severe limitations, with a high dependence on expensive imported and often

inappropriate factor inputs, regulatory instruments and institutional set-ups, so that the most basic demands are not fulfilled. Worse still, the contributions of the sector to national economic growth have not yet been fully realized.

22.50 The objectives of subprogramme 6 are:

(a) To improve the performance of the housing sector by managing the sector as a whole, inter alia, through the application of the shelter indicators and by strengthening the contribution of the sector to the achievement of national social and economic development objectives in an environmentally sound manner;

(b) To promote housing policies and enabling strategies in accordance with the principles and recommendations contained in the Global Strategy for Shelter to the Year 2000, with particular emphasis on improving management of key resources and factor inputs such as finance and land to ensure a responsive, adequate and affordable supply of those resources, thus contributing to an increase in housing supply;

(c) To promote systems of housing delivery capable of addressing the housing problem on a scale commensurate with the problem and at costs affordable to households and society in an environmentally sound way;

(d) To improve the capacity of the construction industry to meet the requirements for physical infrastructure, housing and related facilities and to improve the availability of affordable building materials;

(e) To promote measures to overcome constraints confronting the construction industry, notably, weak institutional and legislative support, inadequate skills, over-reliance on imported factor inputs and technologies, and an inability to mobilize local resource endowments for the development of an indigenous construction sector.

(b) Course of action of the secretariat

22.51 These objectives will be pursued through research, technical cooperation (including the application of shelter indicators), training and information dissemination, which will focus on:

(a) Assessment of experiences in housing development programmes, through the analysis of case-studies, will focus on the workability of solutions: (i) on a large scale; (ii) with minimal administrative control; and, (iii) based on cooperative forms of participation with and between communities, non-governmental organizations and the formal and informal sectors. Special attention will be given to research on housing production by the poorest groups, including women, who do not have sufficient income to offer effective demand for the formal housing market. Elements of the strategy will include the review and evaluation of housing production systems, with a view to identifying support measures for enhanced production. Attention will also be given to the problem of delivering housing at affordable costs and to the capacity of the formal and informal markets to meet the needs of low-income groups. In that regard,

particular emphasis will be laid on the application of solutions that support the self-help efforts of communities and the involvement of non-governmental organizations;

(b) Studies will be undertaken on the role of shelter finance systems in contributing to the development of financial systems and to financial penetration of societies in developing countries with a view to preparing guidelines for the development of a regulatory framework responsive to the financing needs of the low-income groups. This will help identify the problems related to mobilization of financial resources for human settlement investment and resource management in the public sector. The impact on access to housing for low-income groups of specialized shelter finance institutions, which have been set up by many countries, has so far remained very limited. Similarly, specialized institutions for financing infrastructure investment have failed to improve delivery of services to the poor. Problems are frequently caused by an institutional and regulatory framework set up under development strategies that are no longer valid. Particular attention will be paid to community-based finance institutions intent on promoting local financial services and tapping the savings potential of low-income groups;

(c) Based on the experience gained so far and continuing on programmes started during the last medium-term plan, attention will now be directed to: (i) compilation of data on appropriate plant, equipment and tools for the construction sector to provide countries with an informed choice of correct hardware; and (ii) upgrading local human resources and promoting new skills in several aspects of building material production, building construction techniques, institutional support and management of the construction sector;

(d) Developing approaches to effective transfer of technology for production of local building materials with an emphasis on: (i) replication of successful demonstration projects on transfer of technology for production of selected local building materials; (ii) implementation of programmes directed at strengthening national technological capacity in order to help deal with key aspects of local building material production; and (iii) expanding networks of countries collaborating in the field of local building materials and technologies with the goal of achieving universal participation among developing countries, as well as a shift from information exchange to collaboration in actual implementation of specific field activities.

SUBPROGRAMME 7. STRENGTHENING LOCAL COMMUNITIES

(a) Objectives

22.52 The legislative mandate of the subprogramme derives from General Assembly resolutions 43/181, 47/180 and 47/190 (Agenda 21, chaps. 3, 7, 24 and 27), and Commission on Human Settlements resolutions 12/14, 13/10, 14/3, 14/4 and 14/17.

22.53 There is increased recognition that the key to ensure equal, cost-effective and democratic local development is the involvement of communities, women and men, at all levels of planning, implementation and maintenance of urban and rural settlements. Experience has shown that efforts to improve the situation of the poor in this context have a better chance of success if they

are directed at the community or neighbourhood level. Constructive forms of intervention that are expected to have a sustainable impact on the improvement of poor conditions can best take place through an integrated concept of rural as well as urban local development. This is promoting a settlement (area) approach rather than the conventional sector approach. The integration of physical, economic and social development will not only ensure economic growth in a sustainable way but also promote socially well-balanced development. Such efforts call for effective partnerships between government (at the central or local levels), the private sector and community-based and non-governmental organizations as outlined in the Global Strategy for Shelter, the principal instrument in linking the living environment, improved settlements and poverty reduction. UNCHS is implementing a Community Development Programme in a number of countries, focusing on building local capacity for improving poor living conditions.

22.54 The overall key to promoting participatory local development lies, therefore, in: (a) the empowerment of communities; (b) the formulation and integration of the roles of the partners; and (c) the development of an enabling framework of policies and strategies that can facilitate local integrated development processes that can contribute to improving the environmental, social and economic settlement conditions of the urban and rural poor. Such basic principles for building local communities are of crucial importance to countries in their preparations for Habitat II.

22.55 Apart from improving the status of communities, especially enabling women to take active part in local development, the subprogramme will emphasize the need to create increased gender awareness among men and women in communities as well as in the public sector and to ensure gender sensitivity in the process of improving living and working conditions of low-income people.

22.56 More specifically the objectives of subprogramme 7 are:

(a) To empower low-income communities to improve their living and working conditions;

(b) To strengthen the capacity of Governments to ensure integrated local development through practical partnerships between all levels of government, the private sector and community-based and non-governmental organizations.

(b) Course of action of the secretariat

22.57 These objectives will be pursued through the following actions:

(a) Providing practical assistance to Governments, municipalities and community-based and non-governmental organizations through implementation of operational projects integrating physical, economic and social elements in multisectoral approaches in addition to research and information activities;

(b) Supporting the process of local integrated development in urban and rural areas through basic training in community participation, gender and community awareness, community sensitization and organization, community

improvements and action planning, community development and income-generating activities, building bridges to outside communities;

(c) Assisting national and local governments in formulating and promoting, in partnership with other stake-holders, comprehensive enabling policies that provide the necessary framework for participatory programmes on local development and poverty reduction. Emphasis will also be given to measures for translating such policies into practical application.

SUBPROGRAMME 8. REDUCING POVERTY AND PROMOTING EQUITY

(a) Objectives

22.58 The legislative authority for the subprogramme is derived from General Assembly resolutions 43/181 and 47/190 (Agenda 21, chaps. 3 and 7), and Commission on Human Settlements resolutions 13/10 and 14/3.

22.59 UNCHS has been implementing the poverty alleviation component of the multi-agency Urban Management Programme and, in addition, an Urban Poverty Partnerships Programme has been developed with other United Nations agencies and bilateral donors to address poverty reduction. Furthermore, an Urban Poverty Research Programme is under way in collaboration with a major private foundation. The Centre's Community Development Programme also addresses several aspects of poverty reduction. The constant increase of poverty in most developing countries remains a major concern and challenge that development with equity strategies must tackle in the years to come. Both the economic and social indicators in the lowest-ranked countries have shown negative trends. Sustainable economic growth is clearly an essential precondition for poverty reduction, but the pattern of growth is an important factor in determining the extent of growth of income and improvement of living conditions of the poor. Poverty reduction means to create a favourable environment to develop the productivity of the informal sector and micro-enterprises that constitute the main labour market for the poor. Poverty reduction and enhancing social integration are key strategies in the programme of action expected to emerge from the World Social Summit on Social Development. They are also central issues in preparing for Habitat II.

22.60 Poverty reduction implies that essential services become accessible to the poor and that their quality is enhanced. It also requires the implementation of policies addressing the social integration of vulnerable groups who need specific support to survive and become progressively dynamic actors in human development. Agenda 21 advocates an enabling approach to ensure that the poor achieve sustainable livelihoods. An effective strategy for tackling the problems of poverty, development and environment simultaneously should begin by focusing on resources, production and people, and should cover demographic issues, enhanced health care and education, the rights of women, the role of youth, indigenous people and local communities, and a democratic participation process in association with improved governance.

22.61 It is vital that both the legal and regulatory frameworks be reviewed at national and local levels, and that implementation of poverty reduction programmes be multisectoral, promoting a partnership between central government

and local authorities, the private sector and non-governmental and community-based organizations.

22.62 The objectives of subprogramme 8 are:

(a) To promote participative strategies at national, city and neighbourhood levels aimed at improving the productivity, employment and income of the urban poor;

(b) To enhance the capacity of local government, non-governmental organizations and community-based organizations in order to implement such strategies;

(c) To promote at national, sub-national, urban and rural levels specific policies targeted at vulnerable groups and to facilitate their reintegration into socio-economic development.

(b) Course of action by the secretariat

22.63 The secretariat will pursue these objectives through the following actions:

(a) At both national and local levels, supporting the implementation of policies that address improved access to basic services by the poor. With specific reference to poverty in human settlements, support will be directed towards addressing employment, housing, urban infrastructure and provision of basic social services, particularly education and health. Some of the specific policy aspects include: (i) an enabling and supportive legal and regulatory framework; (ii) improved access to a variety of municipal and local-level services - safe drinking-water, sanitation, primary education, health care and justice; and (iii) protection from crime, harassment and environmental hazards;

(b) Supporting central and local governments in the promotion, dissemination and implementation of policies that favour the employment, access to specific markets and enhancement of the productivity of the informal sector and micro-enterprises. In relation to settlements, these economic activities will be related to housing and infrastructure construction, and to the delivery of urban services. Provision and delivery of services could be subcontracted to promote small-scale enterprises and the informal sector. This has an important implication for the empowering of communities and ensuring that they generate remunerative employment and productive occupational opportunities compatible with country-specific factor endowments and appropriate technology systems;

(c) Assisting governmental efforts in designing and implementing policies and programmes at the city and local levels in collaboration with other specialized agencies, non-governmental organizations and community-based organizations, in order to improve the welfare and reintegration of vulnerable groups such as street children, scavengers, the aged, the disabled, refugees and victims of crime and drugs.

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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME IV. INTERNATIONAL COOPERATION FOR DEVELOPMENT

Programme 23. Transnational corporations

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revised programme 23, Transnational corporations, submitted below replaces the narrative of programme 23 of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/6/Rev.1 and Corr.1. The proposed revisions reflect programmatic and organizational changes arising from the restructuring of the economic and social sectors approved by the General Assembly in its resolution 47/212 B of 6 May 1993. The revisions also reflect the review of its work programme by the Commission on Transnational Corporations at its twentieth session, broadening the focus of international investment and transnational corporations, and providing new orientations in an integrated manner. This adjustment in the work programme is reflected in a shift in priorities among the subprogrammes from the original subprogramme 1, Securing effective international arrangements and agreements relating to transnational corporations, to subprogrammes 2 and 3, which have been modified and proposed as high priority designation. Because of the extensive revisions to the narrative, programme 23 is submitted below in its entirety.

4. Owing to the calendar of meetings of the Commission on Transnational Corporations, the proposed revised programme has not been reviewed by that Commission.

PROGRAMME 23. TRANSNATIONAL CORPORATIONS

A. Programme

1. General orientation

23.1 The legislative authority for the programme on transnational corporations derives from Economic and Social Council resolution 1913 (LVII) of 5 December 1974, which formulated the basic mandate of the Commission on Transnational Corporations, and is further elaborated and modified by subsequent resolutions and decisions of the General Assembly and the Economic and Social Council, particularly in its resolution 1994/1. The programme is aimed at:

(a) Furthering understanding of the nature and the legal, economic, social and environmental effects of the activities of transnational corporations in home and host countries and in international relations;

(b) Enhancing the contribution of international investment and transnational corporations to national development and world economic growth;

(c) Strengthening the capacity of host countries, in particular the developing countries, in their dealings with transnational corporations and in creating an enabling environment for international investment and for private sector and enterprise development.

23.2 Transnational corporations are important actors in the world economy. They invest across countries and in so doing mobilize the capital, skills and technology required to meet growth and development needs world wide. Many innovations originate within large firms and most are applied, commercialized and disseminated by them. Moreover, a growing share of international trade takes place within or among firms. Transnational corporations are therefore at the centre of the interplay between investment, technology, services, trade and finance. They can play a key role in attempts by the international community to promote growth in the developing countries.

23.3 In the 1960s and 1970s, the activities of transnational corporations were seen as a threat or potential threat to sovereignty and throughout the developing world there was much scepticism about the benefits of foreign direct investment. In the early 1980s, the advantages of non-debt-creating finance for development became more apparent and there was a more mixed assessment of the advantages and disadvantages of foreign direct investment. This is reflected in the new approaches being taken in the formulation of national and international policies on foreign direct investment, which combine measures and policies aimed at facilitating flows of foreign investment in nearly all sectors and activities, under conditions that enhance the contribution of those investments to the national economy.

23.4 The rapid expansion of international investment since the mid-1980s has encouraged many countries, particularly developing countries, to liberalize further their investment regimes and to consider related policies and measures to create a more enabling environment for private sector and enterprise development. At the international level, there has been progress in the elaboration of supportive multilateral arrangements. Whether binding or voluntary, multilateral arrangements can contribute to the sustained improvement of relations between host countries and transnational corporations.

23.5 The world-wide distribution of foreign direct investment and the activities of transnational corporations are uneven. The least developed countries in particular have been bypassed by transnational corporations. There will be continuing need for appropriate policies and measures, including those instituted by home country Governments, and for international action to enhance the contribution of foreign investment and transnational corporations in the least developed countries.

23.6 Transnational corporations are frequently the repositories of scarce technical skills needed for the preservation of the environment and for the conduct of activities in sectors that have an impact on the environment. In the context of Agenda 21, there is a need to analyse the activities of transnational corporations, to identify ways in which developing countries in particular might benefit from the experience of developed countries and to encourage private sector initiatives in their efforts to protect the environment in relation to the industrial activities of transnational corporations.

2. Overall strategy

23.7 As stated in Economic and Social Council resolution 1980/60 of 24 July 1980 and following the restructuring of the Secretariat in the economic and social fields endorsed by the General Assembly in its resolution 47/212 B, the activities of programme 23 were integrated into UNCTAD. The Division on Transnational Corporations and Investment of UNCTAD, which is now the central unit in the United Nations system for work on matters related to transnational corporations, carries out its tasks by a variety of means, including:

(a) Provision of substantive services to related intergovernmental bodies, primarily the Commission on Transnational Corporations;

(b) Preparation of background documents and specialized studies;

(c) Dissemination of information;

(d) Organization of seminars, workshops and conferences;

(e) Provision of technical cooperation to Governments.

23.8 The programme will be implemented through UNCTAD and its joint units with the regional commissions. Each joint unit will, within the overall programme of work adopted by the Commission on Transnational Corporations and the Economic and Social Council, be the focal point for the activities of UNCTAD in its

respective region, especially in the fields of research, information and liaison with the Governments of the region. In the area of research, the joint units conduct case-studies in the countries of their region and provide inputs for global studies prepared by UNCTAD. In the area of information, the joint units assist in the collection of information on the countries of their regions, including information on individual transnational corporations. A close cooperative arrangement between UNCTAD and the joint units will be further strengthened, enhancing the programming and implementation of advisory and training projects, including the organization of training workshops, identification of specific requirements for advisory missions and follow-up to missions completed.

23.9 While the Economic and Social Council has emphasized the role of the Commission on Transnational Corporations and UNCTAD as the focal points within the United Nations system for issues related specifically to transnational corporations, the activities of those corporations, by their very nature, affect a multitude of social, economic, legal and environmental issues that are dealt with to a varying extent by other organizations and bodies of the United Nations and the system as a whole. In addition to close cooperation with United Nations entities, particularly the Department for Economic and Social Information and Policy Analysis, the Department for Policy Coordination and Sustainable Development, the Department for Development Support and Management Services and UNEP, there is also active coordination with FAO, ILO, WHO, UNIDO, GATT, IMF, the World Bank, OECD and the Commonwealth Secretariat. In the area of technical cooperation, UNCTAD seeks the collaboration and contribution of the regional commissions in the four developing regions. UNCTAD will also continue to work with organizations of the international business community and the international trade union movement.

3. Subprogramme structure and priorities

23.10 The programme on transnational corporations will consist of the following subprogrammes:

Subprogramme 1. Policies, measures and arrangements relating to international investment and transnational corporations

Subprogramme 2. Enhancing the contribution of international investment and transnational corporations to development

Subprogramme 3. Strengthening the capacity of developing countries in dealing with matters related to transnational corporations and in creating an enabling environment for international investment and enterprise development

23.11 Subprogrammes 2 and 3 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. POLICIES, MEASURES AND ARRANGEMENTS RELATING TO INTERNATIONAL INVESTMENT AND TRANSNATIONAL CORPORATIONS

(a) Objectives

23.12 The legislative authority for the subprogramme derives from General Assembly resolution 45/186 and Economic and Social Council resolutions 1989/25, 1991/55, 1992/35, 1992/36, 1993/49 and 1994/1.

23.13 The growing significance of the role of transnational corporations in the world economy and recognition of the contribution that firms can make to development have increased the importance of policies, measures and arrangements for facilitating the flow of international investment, especially to developing countries. Policies are needed to enhance positive economic linkages between transnational corporations and developing countries and their private sectors; improving national foreign direct investment regimes; harmonizing definitions and regulatory processes; and facilitating the effective integration of countries in transition into the international economic system.

23.14 Recent events in the financial world, particularly the rapid expansion of international capital markets and the proliferation of new complex financial instruments, have increased the information needs of users of financial statements of transnational corporations. At the same time, the lack of comparability and transparency of financial statements inhibits the free movement of capital in an efficient market system. This is a particularly important issue for foreign direct investment in developing countries and countries in transition to market economies.

23.15 More specifically, the objectives of subprogramme 1 are:

(a) To promote measures to enhance further the flow of international investment, especially to developing countries;

(b) To promote the harmonization of reporting systems on foreign direct investment statistics and related variables, and to assist countries in the harmonization of reporting requirements in that respect;

(c) To improve the information disclosure by transnational corporations through the harmonization of diverse national accounting and reporting practices and by providing policy advice to countries in the process of standard setting.

(b) Course of action of the secretariat

23.16 The UNCTAD secretariat will analyse laws and regulations relating to foreign investment, including bilateral, regional and multilateral arrangements, with a view to identifying measures to enhance further the flow of international investment, especially to developing countries, and its contribution to national development and world economic growth. It will promote the exchange of country and regional experiences in attracting foreign investment through the preparation of country reports, the dissemination of information and the

organization of seminars and round tables, involving the participation of the private sector. Differences in national reporting systems on foreign investment will be examined, with a view to encouraging Governments to work towards their harmonization.

23.17 The UNCTAD secretariat will examine the role, impact and responsibilities of firms as they relate to the environment and the implementation of Agenda 21, and will disseminate information on international guidelines, standards and best practices relating to environmental, industrial safety and other concerns arising from the increased transnationalization of economic activity.

23.18 The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting has made important recommendations on a broad range of issues regarding disclosure in financial statements. It will continue to review international accounting standards and their applicability to national standard setting with a view to encouraging greater harmonization of accounting and reporting standards and to meeting the needs of users of financial information, focusing on more comprehensive reporting and environmental accounting. There will also be a need to examine ways in which a positive contribution can be made in assisting national standard setting, particularly in developing countries and in countries in transition, and to assist in programmes to educate, train and qualify accountants and auditors in those countries. Follow-up activities related to the agreement on illicit payments, and any other arrangements completed during the period, will be undertaken as mandated.

SUBPROGRAMME 2. ENHANCING THE CONTRIBUTION OF INTERNATIONAL INVESTMENT AND TRANSNATIONAL CORPORATIONS TO DEVELOPMENT

(a) Objectives

23.19 The legislative authority for the subprogramme derives from Economic and Social Council resolutions 1989/21 to 1989/23, 1989/25, 1989/26, 1989/28, 1990/71, 1991/55, 1992/35, 1993/49 and 1994/1.

23.20 Foreign direct investment grew consistently during the 1970s and 1980s and is likely to expand further during the 1990s. Developing countries will have high potential to attract foreign investment, given the reforms under way and if economic growth is maintained. Recent policy changes in the countries in transition to market economies will also increase the flow of foreign investment to and from them. However, technological change and the rapidly changing map of regional integration will create new challenges and opportunities for both Governments and corporations.

23.21 Transnational corporations respond to opportunities arising from technological innovation and market forces. New technologies are emerging and spreading at a fast pace, changing the economics of production. Developing countries will need to build a capacity to generate and utilize new technologies if they are to maintain or acquire international competitiveness in existing export industries and penetrate new markets. At the same time, being at the centre of technological change, transnational corporations can contribute to national strategies for technology diffusion, by applying, commercializing and disseminating the new technologies in developing countries.

23.22 The growth and interdependence of transnational business also creates a need for international attention to environmental issues that affect business and government interests throughout the world. A number of serious incidents involving chemicals, dumping of toxic wastes and radioactive material, including nuclear wastes, and oil spills have warned the world community that risks from deficient environmental or safety standards are not just a local but also a regional and even a global problem. A challenge for government administrators and business officials is to design policies and strategies that allow continued growth while maintaining an effective level of environmental safety.

23.23 There will also be a need for mechanisms that channel foreign direct investment into priority areas of national investment programmes, encourage indigenous enterprises, ensure the introduction of environmental standards and protect host countries against transfer pricing abuses. The introduction of such mechanisms requires a consistent policy environment that enhances the overall contribution of transnational corporations to development. Actions by developing countries would need to be complemented by policies and mechanisms aimed at improving the quality and quantity of investment flows. Actions for an accelerated transfer of investment capital, technology and managerial know-how to developing countries constitute crucial elements of an international action programme for development in the 1990s.

23.24 Consequently subprogramme 2 will aim:

(a) To facilitate mutually beneficial linkages between transnational corporations and developing countries;

(b) To strengthen intergovernmental cooperation in the area of foreign direct investment and the operations of transnational corporations, with a view to enhancing their contribution to economic development and growth;

(c) To further the understanding of the nature and role of transnational corporations by analysing (i) trends in the activities of transnational corporations and their impact on world development; (ii) the impact and implications of the activities of transnational corporations on host countries, in particular developing countries, as concerns economic, environmental, social and cultural issues; (iii) capital inflows and outflows, trade and transfer of technology through the impact and implications of transnational corporations on the world economy; (iv) the effectiveness of existing national policies; (v) the role and impact of transnational corporations in major sectors; (vi) the effectiveness of contracts and agreements between host country entities and transnational corporations; and (vii) organizational structures, operational forms and strategies of transnational corporations;

(d) To provide policy recommendations and assist host countries, in particular developing countries and countries in transition from central planning to a market economy, in attracting and maintaining an increased flow of capital, technology skills and entrepreneurship.

(b) Course of action of the secretariat

23.25 The UNCTAD secretariat will undertake research and analysis in the following areas:

(a) The role of transnational corporations in production, processing and export in selected domestic economies and major sectors;

(b) An annual analysis, in the form of a world investment report, of the principal issues relating to transnational corporations;

(c) Aspects of the economic, environmental, social and cultural impact of transnational corporations;

(d) The role of transnational corporations in (i) international financial transfers and balance of payments; (ii) international trade, including intra-firm transactions; (iii) transfer of technology; and (iv) service industries, including data services;

(e) Surveys of foreign direct investment flows and stocks world wide, desegregated by sector, by country and by corporation;

(f) Information on individual corporations;

(g) Changing patterns of transnational corporation arrangements, including non-equity arrangements, joint ventures and licensing agreements;

(h) Changing patterns of transnational corporation structures, organization and modes of operation;

(i) Changing patterns in the size, characteristics and country composition of transnational corporations;

(j) Changing patterns in corporate alliances across national borders and their impact on competition;

(k) The impact of foreign direct investment and transnational corporation activities on the global economy and linkages with other macroeconomic factors.

23.26 The UNCTAD secretariat will also undertake research and studies on:

(a) The impact of national and international policies on foreign direct investment and transnational corporation behaviour and the effectiveness of laws and regulations in that area;

(b) The changing patterns of contracts and agreements in various sectors;

(c) Environmental risk management;

(d) The effect of the economic integration of countries in transition to market economies on the global economy;

(e) The role and impact of multilateral, regional and bilateral agreements and arrangements on foreign direct investment and transnational corporations;

(f) New and alternative forms of international economic cooperation;

(g) The role and impact of home country policies in encouraging foreign direct investment flows towards developing countries;

(h) The role of free economic zones in attracting foreign direct investment;

(i) The role and impact of international standards in transnational corporation/host country relations;

(j) Progressive elaboration of international standards for the collection of data on foreign direct investment and transnational corporations, and harmonization of national standards and norms in that area;

(k) Development of methodologies and concepts to facilitate harmonization.

23.27 Further, UNCTAD will organize seminars, conferences and other meetings in different regions aimed at disseminating the findings of its research and analysis, and will examine ways of translating those findings into intergovernmental and governmental policies and measures.

SUBPROGRAMME 3. STRENGTHENING THE CAPACITY OF DEVELOPING COUNTRIES IN DEALING WITH MATTERS RELATED TO TRANSNATIONAL CORPORATIONS AND IN CREATING AN ENABLING ENVIRONMENT FOR INTERNATIONAL INVESTMENT AND ENTERPRISE DEVELOPMENT

(a) Objectives

23.28 The legislative authority for the subprogramme derives from Economic and Social Council resolutions 1990/71, 1992/35, 1992/36, 1993/49 and 1994/1, and decision 180 (LXI), subparagraph (b).

23.29 The 1980s experienced a substantial change in the relationship between host developing countries and transnational corporations. Confrontation has given way to more pragmatic attitudes based on a recognition by both parties that there can be a mutuality of interest across broad areas of economic activity. That trend is most dramatically reflected in the new "open door" policies of several countries in Africa. Equally significant is the change being effected in the economies of countries in transition, which were previously not open to foreign investment. Host countries will continue to need expertise during the 1990s with respect to the structuring of appropriate foreign investment regimes and fair and equitable joint venture arrangements. Countries that have traditionally welcomed foreign investment have also shifted to more liberalized policies, partly because transnational bank debt is no longer an option for securing capital from abroad. Those countries face the task of streamlining their administrative mechanisms not only for rapidly and effectively evaluating, screening and approving foreign investment applications, but also for promoting foreign investment and identifying appropriate

prospective joint venture partners. At the same time, those countries will presumably wish to ensure that the transnational corporations meet certain performance requirements. A key challenge in the 1990s, therefore, is to devise foreign investment policies that appropriately balance facilitation and regulation.

23.30 These developments are occurring in the context of rapid technological advances and intensified competition between countries and between transnational corporations that have contributed to a growing globalization of the world economy. Developing countries therefore need to forge flexible and innovative policies in the 1990s that give them continuous access to such technological advances and enhance their share in investment and world economic activity.

23.31 Small and medium-sized enterprises are important investors. Typical features of small firms, such as creativity, innovation, flexibility and special skills associated with small-scale management, are particularly important for the development process. To attract them, many host countries recognize the need to create an effective enabling environment and actively to promote cooperation between domestic and foreign small and medium-sized enterprises.

23.32 The objectives of subprogramme 3 are:

(a) To facilitate the flow of adequate and appropriate foreign investment and technology transfer to host developing countries;

(b) To maximize the contribution of contractual arrangements with transnational corporations in host developing countries;

(c) To enhance the capability of public and private sector officials of host developing countries in negotiating with transnational corporations;

(d) To establish and strengthen developing country competitiveness and capacities to identify, collect and analyse information on foreign investments, technology transfer and transnational corporations;

(e) To enhance the capability of small and medium-sized enterprises in developing countries in their dealings with transnational corporations.

(b) Course of action of the secretariat

23.33 The UNCTAD secretariat will provide advisory, training and information services in the following areas:

(a) Examination of policy options related to transnational corporations either at the overall level, in specific sectors or in connection with specific issues such as ownership and control, acquisition of technology, fiscal and financial questions and transfer pricing, free economic zones and privatization;

(b) Formulation or revision of laws and regulations related to the activities of transnational corporations either in general or in specific sectors (e.g. natural resources), or on specific issues (e.g. transfer pricing);

(c) Elaborating or strengthening evaluation, screening and monitoring guidelines for projects involving equity or non-equity participation of transnational corporations, as well as developing or strengthening relevant governmental infrastructure, procedures and information and promotion systems;

(d) Evaluation, within the context of specific projects, of the alternative merits of various types of contractual arrangements such as joint ventures, licensing, management contracts and production sharing agreements;

(e) Legal, financial, economic and operational issues related to specific contractual arrangements with transnational corporations, in the natural resources, manufacturing or service sectors;

(f) Substantive support in the preparation for negotiations;

(g) Organization and conduct of training workshops, seminars, round tables and study tours on matters related to international investment and transnational corporations;

(h) Developing or strengthening national information systems related to international investment and transnational corporations;

(i) Collection and dissemination of information on laws and regulations, individual transnational corporations, contracts and arrangements, and other data sources;

(j) Preparation of responses to requests from Governments for information on matters related to international and transnational corporations;

(k) Establishing interdisciplinary programmes of training on matters related to transnational corporations by institutions of higher learning of developing countries;

(l) Establishing a public and private sector infrastructure for developing small and medium-sized enterprises and assisting them in establishing beneficial links with transnational corporations.

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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME IV. INTERNATIONAL COOPERATION FOR DEVELOPMENT

Programme 24. Statistics

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revisions proposed below modify the relevant parts of the narrative of programme 24, Statistics, of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/6/Rev.1 and Corr.1.

4. The following text modifies paragraphs 24.5. and 24.7 of A/47/6/Rev.1 and Corr.1.

A. Programme

Replace references to the "Statistical Division of the Department of Economic and Social Affairs" throughout the narrative of the programme with references to the "Statistical Division of the Department for Economic and Social Information and Policy Analysis".

Paragraph 24.7

In the first sentence, delete ", whose implementation, with the exception of subprogramme 5 (see para. 24.8), is the responsibility of the Statistical Division,".

After paragraph 24.7, insert a new paragraph 24.8 as follows and renumber the subsequent paragraphs accordingly:

"24.8 The Department for Economic and Social Information and Policy Analysis has launched the development of a United Nations Economic and Social Information System that is aimed at addressing, inter alia, these problems of content, availability and timeliness by improving the way economic and related social data are collected, processed, stored, analysed and disseminated. This project is being carried out in collaboration with the regional commissions and is expected to enhance the effectiveness of the United Nations economic and social sector as a whole."

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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME V. INTERNATIONAL COOPERATION FOR SOCIAL DEVELOPMENT

Programme 25. Global social issues and policies

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revisions proposed below modify the relevant parts of the narrative of programme 25, Global social issues and policies, of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/6/Rev.1 and Corr.1. The revisions reflect the outcome of the intergovernmental process in the field of social development after the first revision of the plan as well as the restructuring of the Secretariat. A new subprogramme 4, Strategies for poverty eradication, is proposed under this programme in line with the mandates laid down in Assembly resolutions 48/183 and 48/184 of 21 December 1993.

4. The following text modifies paragraphs 25.1, 25.5, 25.8 to 25.10, 25.18 and 25.20 of A/47/6/Rev.1 and Corr.1 and proposes new paragraphs 25.24 to 25.28.

A. Programme

1. General orientation

Paragraph 25.1 — Add a reference to General Assembly resolutions 47/92, 47/197, 48/166, 48/183 and 48/184.

2. Overall strategy

Paragraph 25.5 — Replace paragraph 25.5 with the following:

"25.5 The programme will be implemented by the Department for Policy Coordination and Sustainable Development. It is closely related to, and provides input for, other programmes implemented by the Department, particularly those on social integration and the advancement of women, and contributes to the more specialized forms of action to be undertaken by those related programmes."

Paragraph 25.8 — Replace paragraph 25.8 with the following:

"25.8 The programme is closely related to the programmes implemented by the Department of Economic and Social Information and Policy Analysis. Cooperation with the regional commissions and UNDP will be maintained, as well as with other entities of the United Nation system, inter alia, through the established inter-agency cooperation mechanisms."

3. Subprogramme structure and priorities

Paragraph 25.9 — At the end of the paragraph, add the following:

"Subprogramme 4. Strategies for poverty eradication".

Paragraph 25.10 — Replace "subprogrammes 1 and 3 are" with "subprogramme 4 is".

B. Subprogrammes

SUBPROGRAMME 2. SOCIAL POLICY DESIGN, PLANNING AND COORDINATION

Paragraph 25.18 — Replace subparagraph (b) with the following:

"(b) To support implementation of social components of the international development strategy and the follow-up to the World Summit for Social Development".

SUBPROGRAMME 3. FAMILIES IN THE DEVELOPMENT PROCESS

Paragraph 25.20 Add a reference to General Assembly resolution 47/237 and Economic and Social Council resolution 1993/23.

After paragraph 25.23, insert the following:

"SUBPROGRAMME 4. STRATEGIES FOR POVERTY ERADICATION

"(a) Objectives

"25.24 The legislative authority for the subprogramme is derived from General Assembly resolutions 47/192, 48/183 and 48/184. At its forty-eighth session the Assembly: (a) selected the topic of alleviation and reduction of poverty as one of the three core issues to be considered by the World Summit for Social Development; and (b) proclaimed the year 1996 the International Year for the Eradication of Poverty.

"25.25 The persistence of poverty on a massive scale remains one of the major challenges at the global level. In the 1950s and 1960s general development and focused public policies succeeded in reducing the extent and intensity of poverty in some regions. While such progress has continued in certain countries, in many others poverty levels have again risen, in some cases sharply, and there has been re-emergence of poverty where it had been effectively reduced in the past to a peripheral problem.

"25.26 Much experience has been accumulated over the past decades with programmes intended to reduce poverty or alleviate its effects. There is general awareness that there are many different manifestations of poverty and many causes, each of which needs to be addressed by special policy measures, both national and international. The focus of the programme will be on developing a comprehensive approach to poverty eradication, drawing on the experience gained in many separate efforts that have been undertaken at different levels, local, national, regional and international, and by many social actors, including public authorities, the private sector and the diverse institutions of civil society.

"25.27 The objective of the subprogramme is to assist Governments to assess trends in poverty levels at the global, regional and national levels, to identify specific causes of poverty and to exchange experience in the measurement of poverty and in the assessment of the effectiveness of specific policies and programmes at the international and national levels, and to support the elaboration and implementation of national strategies for poverty eradication, particularly in developing countries.

"(b) Course of action of the Secretariat

"25.28 The emphasis of secretariat activities will be on (a) the collection, analysis and dissemination of successful experiences in dealing with mass poverty as well as a wide range of specific poverty situations, including the situation of the working poor, the unemployed or casually employed and poverty in relation to environmental degradation and among

disadvantaged population groups; (b) evaluation and promotion of experiences regarding application of institutional arrangements and internal coordination mechanisms in poverty eradication strategies, including arrangements for harmonizing actions by the public and the private sectors and those of non-governmental organizations; and (c) preparation for and follow-up to the International Year for the Eradication of Poverty (1996)."

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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997

MAJOR PROGRAMME V. INTERNATIONAL COOPERATION FOR SOCIAL DEVELOPMENT

Programme 26. Social integration

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revisions proposed below replace the existing narrative of programme 26, Integration of social groups, of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and subsequently revised by the Assembly in its resolution 47/214 of 23 December 1992 and issued in document A/47/6/Rev.1 and Corr.1. The proposals reflect the new emphasis that Member States have placed on integration aspects of social groups in development during the preparatory process for the 1995 World Summit for Social Development. In view of the scope of the revisions proposed for this programme, it has been found necessary to present the revised narrative in its entirety.

4. The following text replaces programme 26, Integration of social groups, of A/47/6/Rev.1 and Corr.1.

"PROGRAMME 26. SOCIAL INTEGRATION

"A. Programme

"1. General orientation

"26.1 The basic mandate of the programme derives from the second and fourth preambular paragraphs of the Charter of the United Nations, which reaffirm the dignity and worth of the human person and the promotion of social progress. Social integration assumed special prominence with its identification as a priority theme of the 1995 World Summit for Social Development, as mandated in resolution 47/92 of 16 December 1992.

"26.2 Social integration obtained programmatic expression in the following international instruments related to ageing, disability and youth:

"(a) International Plan of Action on Ageing, endorsed by the General Assembly in its resolution 37/51 of 3 December 1982;

"(b) World Programme of Action concerning Disabled Persons, adopted by the General Assembly in its resolution 37/52 of 3 December 1982;

"(c) Guidelines for further planning and suitable follow-up in the field of youth, endorsed by the General Assembly in its resolution 40/14 of 18 November 1985;

"(d) United Nations Principles for Older Persons, adopted by the General Assembly in its resolution 46/91 of 16 December 1991;

"(e) Standard Rules on the Equalization of Opportunities for Persons with Disabilities, adopted by the General Assembly in its resolution 48/96 of 20 December 1993.

"26.3 The objective of the programme is the promotion of the concept of society for all through full and effective participation of all social groups on the basis of equality.

"26.4 More specifically, the programme aims at further implementation of the international instruments related to social integration. Those instruments provide the framework for social integration policy analysis, programme planning and institutional development.

"2. Overall strategy

"26.5 The programme will be implemented by the Department for Policy Coordination and Sustainable Development and will be carried out through three complementary sets of activities:

"(a) Providing substantive support to the deliberations of intergovernmental bodies on social integration strategies, policies and programmes, in particular the Commission for Social Development, the

Economic and Social Council and the General Assembly. The work will include periodic monitoring of progress achieved and obstacles encountered in the implementation of international instruments concerned with social integration;

"(b) Promoting increased awareness and understanding of issues and trends in social integration and development at national and international levels. The work will include organization of global reviews and evaluations of social integration policies and programmes, preparation of technical studies, provision of selected information and referral services, and issuance of recurrent bulletins and newsletters;

"(c) Providing upon request substantive inputs to technical cooperation activities in the field, to the organization of technical exchanges and training activities, and to the review, appraisal and evaluation of grants from specialized trust funds managed by the programme: the United Nations Trust Fund for Ageing, the Voluntary Fund for the United Nations Decade of Disabled Persons and the United Nations Trust Fund for the International Youth Year.

"26.6 The programme will be carried out in close cooperation with the regional commissions as well as UNDP and other relevant agencies and programmes of the United Nations system.

3. "Subprogramme structure and priorities

"26.7 The social integration programme will consist of four subprogrammes:

Subprogramme 1. Youth policies and programmes
Subprogramme 2. Ageing policies and programmes
Subprogramme 3. Disability policies and programmes
Subprogramme 4. Social institutions and development

"26.8 There is no priority designation among these subprogrammes.

"B. Subprogrammes

"SUBPROGRAMME 1. YOUTH POLICIES AND PROGRAMMES

"(a) Objectives

"26.9 The legislative authority for the subprogramme is derived from the guidelines for further planning and suitable follow-up in the field of youth, endorsed by the General Assembly in its resolutions 40/14, paragraphs 1 and 7; 41/97, paragraphs 4 and 5; 41/99, paragraphs 2 and 3; 42/54, paragraph 3; 42/55, paragraphs 2 and 3; 43/94, paragraphs 2, 4, 5 and 13; 44/59, paragraphs 3, 5, 6, 12, 15 and 16; 45/103; and resolution 47/85, paragraphs 2, 5 and 9; and by the Economic and Social Council in its resolutions 1986/13, paragraphs 4 and 5; 1987/45, paragraph 4; 1987/51, paragraph 4; 1989/51, paragraphs 5 and 8; 1991/11; and 1993/24, paragraphs 2, 3 and 7.

"26.10 Young people are expected to account for an estimated 25 per cent of the world's population by the year 2000. The youth population is expected to increase some 60 per cent during the 1990s, with rates in excess of 80 per cent among least developed countries. In spite of this sustained rate of growth there is an observed tendency not to incorporate youth-related concerns into national development policies and plans. Many of the problems that affect young people thus result from limited data and information on the situation of youth, limited capacities for integrated planning and coordination, weak inter-institutional linkages for implementation and limited resource capacities in terms of finances and personnel.

"26.11 Subprogramme 1 has three main objectives:

"(a) To assist Governments in analysing policy options from a youth perspective, formulating integrated plans and specific programmes to further their social integration as development agents and beneficiaries, and to design effective mechanisms for implementation monitoring;

"(b) To promote greater awareness and understanding of the situation, needs and aspirations of young people and to build increased recognition in both public and private sectors of the contribution that young people can make to all aspects of development;

"(c) To strengthen and improve national capacities and institutional capabilities, including capacities of youth non-governmental organizations, for integrated approaches to youth issues and concerns.

"(b) Course of action of the Secretariat

"26.12 At its fiftieth session, in 1995, the General Assembly will consider a draft world programme of action on youth to the year 2000, which will be adopted in connection with the observation in 1995 of the tenth anniversary of the International Youth Year. Special attention will be accorded to national and regional action. This would include promotion and development of national networks and related coordinating mechanisms on youth, provision on request of substantive support to national action to further implementation of the guidelines for further planning and suitable follow-up in the field of youth and planning and organizing technical meetings on selected youth and development topics. As appropriate, support will be provided to catalytic and innovative follow-up to the programme from resources of the United Nations Trust Fund for the International Youth Year.

"26.13 Inter-agency consultations and collaboration in the field of youth will be expanded to provide an integrated framework both for observation of the tenth anniversary of the International Youth Year and its follow-up, and for strengthening national capacities for the youth perspective.

"26.14 At the international level, practical methods and procedures for policy analysis and evaluation from the youth perspective will be developed and international exchanges of technical information expanded.

Documentation and information services will be developed on a pilot basis with a view to strengthening channels of communication on youth with all interested parties: Governments, the United Nations system and private and voluntary sectors. It is envisaged that biennial meetings of the Youth Forum of the United Nations will be convened with emphasis on observance of and follow-up to the tenth anniversary of the International Youth Year.

"SUBPROGRAMME 2. AGEING POLICIES AND PROGRAMMES

"(a) Objectives

"26.15 The legislative authority for the subprogramme is derived from the International Plan of Action on Ageing, endorsed by the General Assembly in its resolutions 37/51; 40/29, paragraph 4; 41/96, paragraphs 5 to 8; 42/51, paragraphs 1, 4, 5, 7, 8 and 12; 43/93, paragraphs 5 to 9; 44/67, paragraphs 3, 4, 5, 8 and 16; 45/106, 46/91, 46/94 and 48/98; and by the Economic and Social Council in its resolutions 1989/50, 1991/10 and 1993/22.

"26.16 By the year 2025, the world's population will have gone through a demographic transition. The elderly worldwide will number over 1 billion persons and will constitute about 15 per cent of the whole. Over 70 per cent of those elderly persons will be living in the developing regions of the world. It is imperative, therefore, that policies and programmes be set in place now by Member States to shoulder the impact of the ageing of their populations.

"26.17 With that in mind, the objectives of subprogramme 2 are:

"(a) To promote full and effective participation of the elderly in all aspects of development;

"(b) To formulate integrated policies, strategies and programmes based on comprehensive analyses of the impact of social and economic changes on ageing and the impact of the elderly on societies;

"(c) To strengthen and improve national capacities in order to respond effectively and efficiently to the ageing of populations;

"(d) To promote and coordinate joint inter-agency action on ageing and development.

"(b) Course of action of the Secretariat

"26.18 The third update of the world ageing survey will take place in 1996, as will a quadrennial review of the International Plan of Action on Ageing.

"26.19 The General Assembly will have for its consideration at its fiftieth session, in 1995, a draft conceptual framework of a programme for preparation for and observance in 1999 of the International Year of the Elderly.

"26.20 At the international level, documentation and information services will be developed on a pilot basis in cooperation with interested centres and institutions to strengthen exchanges of information in the field of ageing, including organizations of older persons. Practical methods and procedures for policy analysis and evaluation from the ageing perspective will be developed, cooperative studies carried out and exchanges of technical information expanded. Substantive support will be provided on request to national action aimed at further implementing the Plan and organizing technical meetings on selected ageing and development topics. As appropriate, support will be provided to catalytic and innovative follow-up to the Plan from resources of the United Nations Trust Fund for Ageing. In addition, assistance will be provided by the Banyan Foundation for mobilization of resources among private and voluntary sectors to further implementation of the International Plan of Action on Ageing.

"26.21 Upon request assistance will be provided to Member States in establishing and developing networks of national machinery and of centres and institutions for training and research in the field of ageing with a view to strengthening national capacities for integrated approaches to ageing and development.

"SUBPROGRAMME 3. DISABILITY POLICIES AND PROGRAMMES

"(a) Objectives

"26.22 The legislative authority for the subprogramme is derived from the World Programme of Action concerning Disabled Persons, endorsed by the General Assembly in its resolutions 37/52, paragraphs 4 to 7, 9 and 10; 41/104, paragraph 2; 42/58, paragraphs 4, 7, 9 and 18; 42/98, paragraphs 6 to 9, 12, 13 and 17; 44/70, paragraphs 6 to 11, 15, 18 and 19; 45/91, 46/96, 47/88, 48/95 and 48/96; and by the Economic and Social Council in its resolutions 1985/35, paragraphs 2 to 6; 1986/16, paragraphs 4 and 5; 1987/43, paragraphs 3, 6 and 7; 1989/52, paragraphs 3 to 6, 9 and 10; 1990/26, 1991/9, 1993/19, 1993/20 and 1993/21.

"26.23 The end-of-Decade review and appraisal indicated that disablement is not a problem of any one group of the population: demographic changes, ageing population structures in particular, rapid urbanization and associated strains placed on available service facilities and armed conflicts are contributing to an estimated increase of the number of people with disabilities in excess of 10 per cent of the world's population. Available data also suggest that a great deal of disablement can be prevented through low-cost preventive and detection measures and practical rehabilitation, especially at community level. There is also a need to address the situation of people with disabilities in terms of integrated policies and plans to achieve a "society for all" and not solely as sectoral social concerns.

"26.24 Subprogramme 3 has three main objectives:

"(a) To further implementation of the goals of full participation of persons with disabilities in social life and development, and of equality as it pertains to equalization of opportunities;

"(b) To monitor and evaluate the needs and aspirations of people with disabilities, especially those with limited autonomy, physical or mental impairment, and to promote effective integration of the efforts to respond to those needs and concerns in national development policies and plans;

"(c) To strengthen and improve national capacities and institutional capabilities, including capacities of organizations of disabled people, for integrated approaches to disability issues and concerns.

"(b) Course of action of the Secretariat

"26.25 The General Assembly will consider at its forty-ninth session, in 1994, a long-term strategy to further implementation of the World Programme of Action concerning Disabled Persons to the year 2000 and beyond. At its fiftieth session, in 1995, the Assembly will consider the first report on implementation of the Standard Rules on the Equalization of Opportunities for People with Disabilities, adopted at its forty-eighth session. The third quinquennial review of progress achieved and obstacles encountered in implementation of the World Programme of Action will be carried out in 1997.

"26.26 At the international level, pilot activities in documentation and information services will be developed further in cooperation with interested centres and institutions to strengthen exchanges of information in the disability field. Public information and awareness initiatives related to reaching the goal of a "society for all" will be undertaken. Upon request substantive support will be provided to national action to further implementation of the World Programme of Action. Substantive support will also be provided to the activities of the Special Rapporteur for the Standard Rules on the Equalization of Opportunities for People with Disabilities for the successful discharge of his mandate. Technical meetings on selected topics in the disability field will be organized. Support will also be provided to catalytic and innovative follow-up to the World Programme of Action and the application of the Standard Rules on the Equalization of Opportunities for Persons with Disabilities through, inter alia, inter-agency consultations and collaboration with the organizations of the United Nations system.

"26.27 As follow-up to the endorsement by the General Assembly at its forty-sixth session, in 1991, of the Beijing Guidelines for the Development of Organizations of Disabled Persons, special emphasis will be directed to establishing and developing partnerships with Governments and public, private and voluntary sectors, especially among organizations of disabled people, through technical exchanges, training workshops and seminars on selected issues in the disability field, with emphasis on promoting equalization of opportunities for people with disabilities.

"SUBPROGRAMME 4. SOCIAL INSTITUTIONS AND DEVELOPMENT

"(a) Objectives

"26.28 The legislative authority for the subprogramme derives from General Assembly resolutions 47/92, 47/181 and 48/166.

"26.29 In a rapidly changing world, the institutions of society need to be able to adapt to new developments in technology, economic structures and associated patterns of employment, levels of living and demographic structures. The capacities of social institutions to perform traditional roles are facing increased challenges both to meet traditional functions and to respond to changes in global society. It is increasingly recognized that stable and integrated societies will seek ways to emphasize non-discrimination, equality of opportunity, equal access to the institutions of the State, participatory forms of decision-making and the adaptation of traditional institutions to the requirements of a changing world.

"26.30 Subprogramme 4 has two main objectives:

"(a) To monitor and evaluate issues and trends in institutional development and to assess their impact on social integration and development. Specific issues relate to devolution and decentralization, forms of partnership between Government and the private sector and non-governmental organizations, alternatives for those involved in the decision-making process and to the delivery of social services;

"(b) To strengthen and improve national capacities and institutional capabilities for social integration, including capacities of specialized non-governmental organizations.

"(b) Course of action of the Secretariat

"26.31 Emphasis will be accorded to:

"(a) The collection and dissemination of experience with innovative instruments in the context of social diversity;

"(b) The formulation of policy options to promote appropriate conditions by which institutions of civil society may play their appropriate role, particularly as this pertains to the family, to traditional forms of self-help association at community level and to cooperatives and related institutional arrangements;

"(c) Assisting Governments on request in promoting the establishment and functioning of participatory institutions to further social integration and national development."